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# SOVIET FOREIGN TRADE

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# SOVIET FOREIGN TRADE

By ALEXANDER BAYKOV

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## INTRODUCTION

CONTEMPORARY economists, and others concerned with international relations or with foreign trade, recognize that the Soviet economic system and the Soviet system of foreign trade differ substantially from those of other countries. Yet, with rare exceptions, this knowledge is limited to vague conceptions of differences and does not extend to a factual knowledge of the working machinery of the Soviet economic system and the development of the country's economy. Such deficient knowledge creates misunderstanding and misinterpretation. Discussions of the Soviet foreign trade system, and of the development of the foreign trade of the USSR, thus often lead either to a theoretical enumeration of all the potential dangers of this system with regard to dumping, discrimination, distortion of commercial principles, and so on, or to an exaggerated expectation that, if the Soviet government so decided, it could completely change the character of its economic relations and the amount of its trade with particular foreign countries. Needless to say either approach to the problem is fallacious and is harmful to the establishment of sound economic relations between the USSR and other countries. The first approach may create unnecessary and easily avoidable difficulties and obstacles; the second may lead to possible miscalculations, disillusion, and disappointment.

In *The Development of the Soviet Economic System*<sup>1</sup> I have tried to present the main facts and explain the main processes in the building of the present-day Soviet economic system and in the actual development of the economy of the USSR. My purpose here is to describe the Soviet system of foreign trade in force on the eve of the Second World War, to analyze the actual development of foreign trade in the USSR in the past, and to stress facts which seem likely to influence the development of Soviet foreign trade in the post-war period. Before describing the Soviet foreign

<sup>1</sup> *The Development of the Soviet Economic System: An Essay on the Experience of Planning in the USSR*, Alexander Baykov, Cambridge University Press, 1946. The reader may consult this book for greater detail, and references, on some of the matters here treated.

trade system and the actual situation in foreign trade on the eve of the Second World War, however, I have found it necessary to give a description of the foreign trade of Tsarist Russia as well as an outline of the history of the setting up of the Soviet system. This was essential because, as the reader will see, the inherited past influenced very substantially the whole trend of subsequent development. The Soviet system of foreign trade was not created over night but has a complicated historical background. Initial plans and expectations were, under the pressure of existing conditions, necessarily subject to revision and modification. The present shape of the Soviet system of foreign trade is in part the result of such historical phenomena. It is my hope that this knowledge of the past will help in the more objective appraisal of possible future readjustments in the system and development of the foreign trade of the USSR.

In discussion of the Soviet system of foreign trade I have tried to outline not only the main features, the machinery, and the development of the trade, but also to give a sense of the spirit of the system. Consequently I have used interpretations and explanations commonly accepted in Soviet literature on the subject as well as the point of view of Soviet authors and government leaders. Such generally accepted views and interpretations are here more important than personal opinions. I have concentrated, therefore, on presenting these to the reader solely as a basis for his own judgment. I have, however, endeavored to analyze past developments in the foreign trade of the USSR and to suggest probable future trends wherever these are clearly discernible. A discussion of the dangers and difficulties which may develop in the economic relations between the USSR and other countries is omitted because, first, sufficient literature on this subject already exists,<sup>2</sup> and second, to push such discussion beyond the theoretical level would require a detailed description of the complicated economic relations between the USSR and other countries. This is beyond the scope of the present study. The primary purpose here is to present the history and present position of the foreign trading system

<sup>2</sup> See, for example, *Trade Relations Between Free-Market and Controlled Economies*, Jacob Viner, League of Nations, Economic, Financial and Transit Department, Geneva, 1943. Also, *Economic Relations with the USSR*, Alexander Gerschenkron, Committee of International Economic Policy in cooperation with the Carnegie Endowment for International Peace, New York, January 1945.

of the USSR, leaving it to the economic theorist and the specialist in international economic policies to draw such conclusions as appear warranted on the advantages and disadvantages, difficulties and possibilities, both real and imaginary, of future economic relations with the USSR.

I wish to record my gratitude to the National Institute of Economic and Social Research, London, for the help given me in connection with this study and particularly my feeling of special obligation to its Chairman, Professor Henry Clay, for his generous and kind sympathy toward the problems we have discussed in the course of my work at the National Institute.

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A. M. B.

*Princeton, N. J.*





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## CHAPTER I

### THE DEVELOPMENT OF FOREIGN TRADE IN TSARIST RUSSIA

**D**EVELOPMENTS in foreign trade in Tsarist Russia fall into three main periods: (1) the period preceding the emancipation of the serfs in 1861 and extending to the eighteen seventies, (2) the period from 1870 to 1895, and (3) the period from 1895 to 1914. Russia's exports and imports from 1803-1913 are shown in the following table:

Annual average in the years:	Exports	Imports (million rubles)	Total turnover	Balance (Exports + Imports —)
1803-1807	41	39	80	+ 2
1812-1820	54	38	92	+ 16
1821-1830	58	51	109	+ 7
1831-1840	76	63	139	+ 13
1841-1850	97	85	182	+ 12
1851-1860	124	113	237	+ 11
1861-1870	185	185	370	...
1871-1880	339	368	707	— 29
1881-1890	392	250	642	+ 142
1891-1895	415	304	719	+ 111
1896-1900	708	614	1312	+ 94
1901-1905	941	632	1573	+ 309
1906-1910	1205	910	2115	+ 295
1911-1913	1540	1239	2779	+ 301

In the first of our periods, Russia, with its feudal agriculture and undeveloped industry had only tenuous connections with the world market. The country exported agricultural commodities, and raw materials of the timber and trapping industries, almost exclusively; it imported manufactured goods for the upper classes and equipment and raw materials on a very small scale for the light, and armament, industries.

Emancipation, in 1861, increased the marketable surplus of agricultural production. Landlords deprived of serf labor had to change their methods of farming from a feudal to a commercial basis, sell their estates in part or as a whole to merchants, or parcel out their land in plots for sale or lease to the peasants. The

peasants, in debt for the land allotted to them by the Emancipation Act, were forced to sell a larger part of their meager surplus of agricultural production. As a result, the marketable surplus, particularly of grain, rose sharply in the decade following the agrarian reforms of the sixties. This increase in turn stimulated exports, and the foreign trade turnover, which had averaged some 237 million rubles annually in the ten years immediately preceding emancipation, rose to an average of 707 millions annually in the ten years which followed. However, these reforms effected a temporary stimulus only. As shown in the table, Russian exports grew very slowly over the next 25 years while imports, in the period 1881–1895, stood lower than the level reached in the decade 1871–1880.

Although Russia was economically poor, still on the edge of transition to intensive farming, and with an industrial production particularly in heavy industry as yet only in its infancy, she was, in the period following the emancipation, nevertheless known as the “granary of Europe.” Because of her lagging development in the last quarter of the 19th century, however, Russia’s foreign trade turnover remained practically stationary at the level attained in the first decade that followed the agrarian reforms (707 million rubles per annum in the years 1871–1880, 642 million rubles in the years 1881–1890, and 719 million rubles in the years 1891–1895). The world trade of Europe’s industrial countries was, in this period, rising by leaps and bounds.

The peasants formed the overwhelming majority of the population and, with their small-scale production of marketable surplus and even smaller cash incomes, provided a limited and slowly expanding outlet for the goods manufactured by a gradually developing home industry. But this gave no scope for imported goods. Imports, as before, went to satisfy the demands of an increasingly more impoverished land-owning class, and the limited needs of the slowly growing urban and industrial population. Moreover, there were no invisible exports to compensate for the considerable expenses incurred on invisible imports (interest on foreign loans, expenditure on foreign travel by the upper classes, freight, insurance, and commission charges, the profits of the foreign firms which transacted and monopolized the greater part of Russia’s trade abroad, the high maintenance costs of Russian diplo-

matic agents in foreign countries, etc.) which further reduced the possibility of increasing imports. After the spurt following emancipation the second stage in the development of Russia's foreign trade was, therefore, a period of relative stagnation.

In the last years of the 19th century, however, our third period, with construction begun on a new heavy industry in southern Russia (the Donets and Krivoi Rog basin) and with expansion of the railway network, Russia's foreign trade turnover rose sharply and almost doubled within five years. A steady growth continued up to the First World War. The industrial plant and railway construction immediately raised the demand for imports. The growing income of the urban industrial and of the peasant population stimulated home industry and trade. At the same time the development of South Russian mining industries and the improved transport facilities effected an increased export of industrial raw materials, timber products, and certain kinds of agricultural commodities. The export of manganese ore and of timber products, for example, grew as follows:

Annual average in the periods	Export of manganese		Export of timber materials	
	(million poods *)	Index	(million rubles)	Index
1891-1895	37.8	100.0	42.2	100.0
1901-1905	41.8	110.0	65.9	156.9
1906-1909	38.8	102.6	116.4	277.1
1910-1913	72.8	193.9	151.0	359.9

\* Pood = 40 Russian pounds = 36 lb. avoirdupois.

The export of agricultural raw materials of industry and that of products associated with livestock rose simultaneously (the export of flax rose from a yearly average of 11,375,000 poods, in 1901-1905, to 13,906,000 poods in 1908-1910; the export of butter rose similarly from 2,326,000 poods to 3,383,000 poods in the same period; that of oil-cake from 26,480,000 poods to 35,540,000 poods).

From 1896 to 1914 both exports and imports, then, increased at a rapid rate, and the figures for 1913 are four times as great as those for the period which preceded the intensive development of the South Russian heavy industries. The import of manufactured goods and raw materials for industry increased, moreover, more rapidly than home production.

	Domestic industrial production (million rubles)						Index of domestic production and imports (in comparison to 1897 = 100)			
				Imports			Domestic production		Imports	
	1897	1908	1912	1897	1908	1912	1908	1912	1908	1912
<b>I. Producers' Goods</b>										
1. Mining	144	390	520	18	42	68	271	361	232	387
2. Heavy metallurgy	436	510	715	169	221	366	117	164	130	216
3. Timber products	96	115	165	18	26	35	120	171	145	191
4. Building materials	83	98	153	13	17	32	118	185	131	212
5. Chemicals	121	168	218	47	81	103	139	181	172	221
<b>II. Consumers' Goods</b>										
1. Textiles	631	950	1158	183	348	370	150	183	190	202
2. Food	502	1207	1350	155	315	378	240	269	203	244
3. Finished articles of the light industries	125	151	162	23	70	62	121	129	306	272
4. Paper and newsprint	42	127	124	10	24	37	302	293	245	377

It is significant that the import of consumption goods was greater, and grew at a relatively higher rate, than that of producers' goods and raw materials of industry. In this respect the development of Russia's foreign trade followed a pattern characteristic of agricultural countries which enter industrialization with the help of foreign capital under free enterprise conditions. In the last years of Tsarist Russia industrial and railway construction carried out by means of foreign loans and foreign capital directly invested in industry made it unnecessary to maintain a favorable balance of trade. The import of capital was not sufficient, however, to cover the expenses arising from invisible imports. When Russia entered the First World War her foreign government and private debt therefore amounted to 7.5 billion gold rubles or approximately 3.75 billion dollars.<sup>1</sup>

It should be borne in mind that throughout this period Russia conducted her foreign commerce in accordance with the principles of private trade. The action of the State was limited to the

<sup>1</sup> "At the outbreak of the Great War the Russian government owed abroad about 4.2 billion roubles (or approximately 2.1 billion dollars). It was also responsible, through its guarantee, for about 870 million roubles of loans contracted in other countries by the privately owned railroad lines. In addition to these obligations of the Imperial government, Russian municipalities owed 420 million roubles in other countries, and Russian industries, banking and commercial establishments, insurance companies, and so on, had borrowed foreign capital to the extent of over two billion roubles. Thus Russia's pre-war foreign indebtedness—public and private—aggregated 7.5 billion roubles, or about \$3,750,000,000." *World War Debt Settlements*, Harold G. Moulton and Leo Pasvolksy, New York, 1926, p. 60.

conclusion of trade agreements and the operation of a policy of customs duties. The trade agreements concluded in the closing years of the 19th century, and in the early years of the 20th century (e.g. with Germany in 1894; with Austro-Hungary in 1906), were based on the principles of free enterprise between the contracting countries. The few limitations introduced concerned state monopolies, import of arms and war supplies, and specific items singled out for reasons of health and hygiene. With the exception of these special restrictions, the State allowed private enterprise full freedom to organize and to carry on foreign trade transactions, which were effected by special export-import wholesale firms. The greater part of Russia's export trade was in the hands of foreign firms which purchased their goods from large wholesale supply agencies within Russia. Only in the years immediately preceding the First World War did some Russian firms, in particular those dealing in handicraft production, shake off dependence, in international trade, on a foreign intermediary. This independence was achieved, on any considerable scale, only in Eastern markets (Persia, Afghanistan, etc.).

The governmental control applied to the foreign exchange market largely conformed to the principle of "automatism" in the in-and-out flow of foreign currencies.

The First World War not only altered the course of foreign trade but caused the State to tighten its controls considerably, and even to participate actively in the country's foreign trade turnover. At the outbreak of war, in August 1914, a number of trade agreements were denounced. The Ministry of Finance closed the land frontiers of European Russia, as well as the ports of the Black, Azov, and White Seas, to the export of certain goods. With the extension of military operations many items were added to the list of prohibited commodities. Various economic organizations, such as the Committee of the Cotton, Paper, Leather, and Match Industries, the United Organization for the Supply of Flax, the Cloth Industry Committee, and so on, came to share in the granting of export and import licenses by the Ministry of Commerce and Industry. As a result of growing war needs, moreover, the State gradually extended its activity from control to direct participation. A Chief Foreign Committee of the War Department was set up to purchase war materials abroad, and also to control

the export of goods which might be needed for home consumption. The activities of private enterprises engaged in foreign trade were thus more and more curtailed. State control over the foreign exchange market increased, and from May 1916 it became compulsory for exporters to deposit their foreign currency receipts with the Ministry of Finance.

The Provisional Government set up after the February Revolution (1917) attempted to work out a general foreign trade plan and the Supply Committee of the Ministry of Commerce and Industry was asked to organize large scale accumulation of stocks for export as well as the purchase of import goods. By the eve of the October Revolution of 1917, the State had materially increased its control over the country's foreign trade turnover and was an active participant. These measures were the outcome of wartime conditions, but, in a sense, they paved the way for the State monopoly of foreign trade introduced by the Soviet Government in the first years of its regime.

Compared with the pre-war period, Russia's foreign trade turnover completely changed during the war. Exports fell in the first year of the war and continued to decrease annually. Imports also

	Export		Import		Balance	
	(in million rubles)					
	Nominal value	In 1913 prices	Nominal value	In 1913 prices	Nominal value	In 1913 prices
1913	1520.1	1520.1	1374.0	1374.0	+ 146.1	+ 146.1
1914	956.1	885.0	1098.0	1109.0	— 141.9	— 224.0
1915	401.8	274.0	1138.6	870.0	— 736.8	— 596.0
1916	577.3	237.0	2451.2	862.0	— 1873.9	— 625.0
1917	464.0	137.0	2316.7	802.0	— 1852.7	— 665.0

dropped, to a lesser extent, in the first two years but, in the next two years, taken at their nominal value, substantially increased. At their real value, estimated in 1913 prices, they nevertheless show a decline. Imports included mainly raw, and other, material for the war industries and for the transport system but, in the latter years, war equipment as well. Throughout the war the balance of trade was unfavorable; Russia's foreign debt rose at an alarming rate and by 1918 reached a total of about 13.8 billion gold rubles, or approximately 6.9 billion dollars.<sup>2</sup> Such was Russia's foreign trade position when the Soviet Government took control

<sup>2</sup> *Ibid.*, pp. 61-62.



## CHAPTER II

### EVOLUTION OF THE SOVIET FOREIGN TRADE SYSTEM

**I**N THE early years of Soviet rule, three factors determined the foreign trade of the USSR: the conditions inherited from the previous period; the presence of new circumstances such as the attitude of the outside world to Soviet foreign trade and to Soviet methods of trading; and the changes taking place within the economy of the USSR.

The hostile attitude of the outside world to the Soviet regime in the early years, and the unwillingness to maintain diplomatic or even economic relations with the USSR, are well known. The proclamation of an economic blockade of the RSFSR came as an answer to the October Revolution and the peace treaty of Brest-Litovsk. This involved the blockade of Soviet ports and land frontiers, the frequent seizure of, and embargo on, goods and ships sent abroad by the Soviet Government, and difficulties with, and often the refusal of, admission of Soviet trade representatives and agents in certain countries. A "gold blockade" was imposed by foreign banks and big firms which refused to accept payment in gold from the Soviet Government or else accepted it only at a discount of 25 per cent. Numerous other discriminatory prohibitions and restrictions were directed against the foreign trade of the RSFSR.

The first breaks in this blockade were not made until 1920, when a peace treaty was signed with Estonia, a partial trade agreement reached with Sweden, and trade discussions inaugurated with Great Britain. The resumption of relatively normal trade relations between the RSFSR and other countries did not begin, however, until the trade agreement with Great Britain was concluded in March 1921, followed by trade agreements with Germany, Finland, Estonia, Latvia, Poland, Norway, Czechoslovakia, Austria, and Italy. Thus, during its first three years of existence,

the Soviet Government was completely ostracized by other states, an exclusion which included severance of diplomatic as well as economic relations.

In the first months of its advent to power the Soviet Government did not introduce any extensive reorganization in foreign trade beyond the enforcement of an all-embracing system of export and import licenses. On December 29, 1917 a regulation, passed by the Council of People's Commissars of the RSFSR, decreed that a preliminary permit must be obtained from the Foreign Trade Department of the Commissariat of Commerce and Industry for the import or export of any commodity. Goods imported or exported without such a permit ranked as contraband. This decree introduced no new principle and no new practice in the organization of foreign trade. The Foreign Trade Department of the Commissariat of Commerce and Industry simply replaced the former Ministry of Commerce and Industry, while the establishment of the export and import license system differed in scope but not in principle from the control over foreign trade already in force during the 1914-1917 war years.

As in other branches of national economy, the *nationalization* of foreign trade was proclaimed several months later. This was stated in the government's decree of April 23, 1918 in the following terms: "Commercial transactions with foreign countries and individual commercial firms abroad for the purchase and sale of any commodity is carried out on behalf of the Republic by organs specially set up for the purpose; any commercial transaction concerning imports from or exports abroad is prohibited except through their intermediary." Although the decree emphatically laid down that the republic alone and its representative institutions were henceforth to carry out the country's foreign trade, it did not specify which organizations were to carry out import and export transactions on behalf of the State. Occasional purchase of essentials was made by representatives of the Commissariat of Commerce and Industry in foreign countries (mainly in Latvia and Poland) but no definite foreign trade machinery was devised in the years 1918-1920. It was unnecessary in any event since the economic blockade on the one hand, and the catastrophic decline

in industrial and agricultural production on the other, had brought the country's foreign trade to a standstill.<sup>1</sup>

After new forms in the organization of the country's foreign trade were established, a series of government decrees issued in the course of 1920 transformed the Commissariat of Commerce and Industry into the People's Commissariat of Foreign Trade, designated as the agency responsible for planning, regulating, and controlling foreign trade, and implementing the actual commercial transactions either directly, or through the medium of its institutions and organizations set up for the purpose, or through its individual agents. This concentration of all foreign trade transactions in the hands of the People's Commissariat of Foreign Trade was in accordance with the general trend toward supercentralized administration which was so marked in all branches of the country's economy in this last year of the so-called "war communism." Market relations within the country were regulated by a system of allocation of existing stocks of raw materials and manufactured goods between various State institutions, and the scope of the People's Commissariat of Foreign Trade was limited to marketing abroad such goods as it received from various State institutions. Trade Delegations (*Torgpredstva*) of the RSFSR were set up in foreign countries. By the end of 1920 these numbered eleven and through them the Commissariat effected its monopoly of foreign trade.

The concentration of the entire foreign trade turnover—however reduced it may have been at the time—inevitably led to unsatisfactory results, owing to the absence of any adequate knowledge of organization, of trained staffs, or tried-out methods of salesmanship, and could serve a purpose only at a time when the entire economic activity of the country was in a state of emergency. Under the New Economic Policy (N.E.P.), proclaimed early in 1921, the system of national economy based on the principles

<sup>1</sup> Expressed in pre-war (1913) rubles, exports and imports were:

	Exports	Imports	Balance
	<i>(in million rubles)</i>		
1913	1520.1	1374.0	+ 146.1
1918	7.5	61.1	— 53.6
1919	0.1	3.0	— 2.9
1920	1.4	28.7	— 27.3

of War Communism was replaced by a system which accepted the co-existence of a State along with a private "sector" in the national economy. The existence of private property and enterprise was now tolerated alongside State and cooperative ownership. A reorganization of the forms and methods of conducting foreign trade was therefore imperative. In the transition to the N.E.P. the principle of State monopoly was retained, commercial transactions were decentralized, and private capital and private initiative were co-opted to carry on the country's foreign trade.

The N.E.P. abandoned neither the principle of nationalization of basic means of production nor of planning in national economy; it merely accepted a temporary co-existence of two "sectors" in the country's economy—the socialized and the private. The State retained the "commanding heights" of economic activity including its monopoly of foreign trade which, in the minds of its promoters, was to be a maximum safeguard for the home market against foreign competition as well as one of the means of achieving a planned development of the country's internal economy. In a sense this was a logical consequence of the principles of nationalization of production and exchange applied within the country. A planned economy was not feasible in the absence of an effective control over foreign trade.

The monopoly of foreign trade, apart from its importance as one of the main assets of the socialized sector, had, in the opinion of its promoters and Soviet foreign trade economists, the following advantages over other methods of control:

(a) Monopoly of foreign trade can protect the home market completely from foreign competition, eliminating any need for tariff walls. The volume of imports is directly controlled by the issue of import licenses. Customs duties are merely an additional barrier against the importation of goods, in private luggage and postal parcels, but not a general deterrent against the import of foreign goods. In the relegation of customs duties to this secondary role, a tariff policy loses its usual significance in agreements made containing a most-favored-nation clause.

(b) Centralization of planning, regulation, and control of exports and imports enables the State to bring exports and imports into line with the government's general foreign trade policy without necessitating a revision of trade agreements with individual

countries or changes of tariff policy. Moreover, the State carries on—through various organizations—all import and export transactions. These, therefore, can be viewed as one single operation. Profits gained on exports can offset losses incurred on imports, or vice versa, so that each individual export and import operation can be considered not on its own merits but as profitable or otherwise to the national economy as a whole.

(c) Settlement of all accounts denominated in foreign currency is effected by the State with the result that the influence of the foreign exchange market on the internal currency can be eliminated. Within the country, payments on export and import transactions can be settled in internal currency independently of the rate of exchange against foreign monies. At the same time accounts with foreign clients can be settled in the currency of their respective countries. The rates of exchange fixed by the government can be regarded as mere technical devices of accountancy, without effect on the actual course of export-import transactions.

(d) Monopoly of foreign trade makes it possible to regulate the foreign trade turnover with any given country by direct (not indirect) means, and to make trade policy with any country dependent on economic, political, or social considerations.

(e) Centralization of export and import by specialized monopolistic organizations produces lower overhead charges and provides a stronger bargaining position.

Here, in broadest outline, are the factors underlying that State monopoly of foreign trade which came to be the keystone of the foreign trade system of the USSR. The principle of State monopoly was never altered but the forms of the system underwent many changes in the N.E.P. period and later.

In the first years of the N.E.P., the outstanding aim of economic policy was to further the rehabilitation of the country's industrial and agricultural production. Foreign trade was to serve the same purpose. It was decided therefore that, although the State would retain its control over foreign trade, more freedom should be granted to the various State and cooperative organizations for carrying on export and import transactions. To utilize foreign capital and foreign commercial experience, in organizing trade with individual countries or dealing in particular commodities, certain bodies shared with the People's Commissariat of Foreign Trade

the right to effect foreign trade transactions. These were: (a) all-Russian and regional cooperative associations, regional and county (*gubernia*) economic conferences, and other large business organizations; (b) special joint-stock companies set up for the purpose (some with the participation of Soviet capital only and some with the participation of both Soviet and foreign capital) and (c) some foreign concessionary societies. It was, however, established from the outset of the N.E.P. period that economic bodies "granted the right to carry out commercial operations in foreign markets might sell abroad only articles of their own manufacture, and buy only such articles as were required for their own production." The aim of this restriction was to stimulate the production of such domestic goods sold abroad and to prevent the producing firms from becoming purely trading corporations. At the same time it was hoped that the restriction would foster specialization, on the assumption that firms manufacturing specific articles were better suited to specialize in their marketing than were commercial intermediaries.

Without going into the details of the organization of foreign trade in this period, it can be said that, in the first years of the N.E.P. and up to 1925, foreign trade conformed to the following pattern:

The People's Commissariat of Foreign Trade marketed abroad goods supplied by its local agencies, goods transferred to it by State export-import organizations serving the main branches of the export-import trade (Gostorgs), and, lastly, goods received on a commission basis from State organs and enterprises, country Executive Committees, and all-Russian cooperative associations. Receipts from goods sold on a commission basis were spent abroad on purchases in accordance with the instruction of the commissioning associations. Receipts from goods sold directly by the People's Commissariat of Foreign Trade went to the State foreign exchange fund. Central *cooperative* organizations (Tsentrsoiuz, Selskoiuz, Lhotsentr, etc.) were granted the right to sell their exports to foreign cooperative unions directly, but under the general supervision and control of the People's Commissariat of Foreign Trade. As regards *joint-stock companies* for trading with foreign countries, they were either to specialize in trade with definite countries

or deal in definite commodities; <sup>2</sup> they had to conform to similar statutes and, as a general rule, effected their operations through the Trade Delegation accredited to the given country or, at least, under its supervision. These joint-stock companies were of two different kinds: those with a purely Soviet capital (e.g. Arkos = All-Russian Co-operative Society, first formed as a cooperative organization and later transformed into an ordinary joint-stock trading company, Amtorg, State syndicates, trusts, etc.), and those with a *mixed*, i.e. Soviet plus foreign capital (e.g. Russangloles, Russgertorg, Russgollandoles, Russkoe lesnoe agentstvo, etc.). In the mixed companies at least 51 per cent of the shares were Soviet owned, and such companies acted on the basis of standardized agreements and trade concessions. Apart from these mixed companies, some foreign concessionary companies were in certain cases granted the right to export and market articles of their own manufacture abroad. The foreign capital brought in by concessionary and mixed companies was never considerable and their activities remained limited. Generally speaking, even in the first years of the N.E.P., the export trade of the USSR was carried out by State organizations and Soviet joint-stock companies; the participation of the other exporting agencies remained relatively unimportant.<sup>3</sup>

The socialized sector of the national economy was likewise predominant in *import* trade. As a rule, the various People's Commissariats and Chief Administrations of the State industry sent in their applications for importing goods to the People's Commissariat of Foreign Trade, which in its turn passed on to the Trade Delegations the orders to be placed abroad. State organizations and joint-stock companies could make their purchases abroad in-

<sup>2</sup> In the first years of the N.E.P. a few companies not specializing in any one particular article but dealing in various goods were permitted to operate.

<sup>3</sup> The relative shares of various organizations in the export trade of the USSR, at the beginning of 1923-24, were:

	%
1. State organizations and Soviet joint-stock companies	89.8
2. Mixed companies	1.2
3. Arkos	1.3
4. Co-operatives	1.8
5. Private organizations and persons	0.6
6. Other exporters	5.3
	-----
	100.0

dependently on condition of first submitting their contracts with foreign firms to the People's Commissariat of Foreign Trade for approval. Cooperative associations enjoyed the same independence, as regards imports, and only needed a preliminary approval of their contracts by the Commissariat. Private manufacturers could buy materials and equipment for plants that they owned or leased by obtaining a license issued separately for every case. Their purchases, however, had to be effected through the Trade Delegations or those State and joint-stock companies empowered to deal in foreign markets. Trade Delegations were the sole agents abroad entitled to perform any trade transaction on behalf of the State. Even such business organizations as carried on their export transactions directly usually resorted to Trade Delegations to carry out their import operations.

In the beginning Trade Delegations dealt in *any* commodity, without adequate specialization, and only later set up specialized departments trading in definite classes of goods. This lack of specialization on the part of Trade Delegations, along with the absence of trained and experienced personnel, resulted in unsatisfactory practices in export and import transactions. The necessity of ensuring unity of control over foreign trade, however, was considered far more important than the unavoidable defects of the country's new system. Gradually, however, the People's Commissariat of Foreign Trade concentrated on planning, regulating, and controlling the country's foreign trade and transferred more and more of the *operational* work to the State export-import organizations (Gostorgs). Moreover, the Commissariat's share in the operational work was, after a time, limited to general guidance and supervision. It did not interfere with actual commercial routine.

In the sphere of planning, regulation, and control, the Commissariat drafted the export-import plan, established export and import quotas, fixed customs duties and price limits on mass-exported or imported goods on the basis of information received from the Trade Delegations and, lastly, worked out international treaties and agreements. Its control of the *operational* activities of the Gostorgs and other organizations was effective inasmuch as (a) the Gostorgs were officially subordinate to the Commissariat and its commissioners in the allied republics and (b) the Commissariat was a shareholder in the joint-stock companies—whether Soviet or



mixed—and in other organizations having the right to carry out independent foreign trade transactions.

Such, in brief outline, was the framework of the organization which carried out the foreign trade of the USSR with European and overseas countries during the period of recovery in which production rose to its pre-revolution level and relations between the various branches of the national economy returned to their pre-revolution position. The organization of trade with the Eastern countries (Persia, Sinkiang, Tannu-Tuva, Outer Mongolia, Afghanistan) had taken, and was following, a different course, which will be dealt with below.

This system of foreign trade reflects the multiformity of organizational procedures so noticeable during the recovery period in all the main branches of the national economy of the USSR. To restore production and exchange as rapidly as possible during this period many channels and many forms of organization were utilized. Some of these were inadequately specialized and were a hindrance to co-ordinated action. When rehabilitation was, on the whole, achieved, the economic reconstruction and industrialization of the country became the new aims. In all branches of the national economy these aims called for an increase of planning, further co-ordination in the activity of the various sectors participating in economic development, and greater specialization. Foreign trade was set the task of helping in the industrialization of the country; consequently, it was necessary to intensify the mobilization of the country's export resources and to extend its range of export goods, creating at the same time a more specialized and differentiated system of importation in which the economic bodies requiring imported articles could be more active.

In October 1925, the following resolution regarding the re-organization of trading methods was adopted:

“... in order to produce unity of action and to achieve closer co-operation between suppliers and business organisations interested in the essential work of expanding, developing and selling exports, it is decided to set up joint-stock companies, limited liability companies and syndicates each of which is to deal in certain of the most important commodities of our ex-

port trade with the object of exporting abroad these particular commodities.

“ . . . in order to interest State and business organisations, covering fairly clear-cut branches of the national economy, in import transactions and to guarantee the improved quality of imports, to decrease overhead charges and to maintain a correct price policy, it is considered expedient to set up special import companies and societies.”

As a result of this decision, companies were set up specializing in basic Soviet goods (timber, butter, coal, eggs, furs, and other extensively exported goods). Supply and industrial organizations dealing in any of these commodities became members and shareholders of the new specialized companies. Similarly specialized import companies were formed, each of them dealing in entire classes of commodities (*Textilimport* in textiles, *Kozhimport* in hides and leather, *Selmashimport* in agricultural machines, *Metallimport* in metals, *Electroimport* in electrical equipment, *Khimimport* in chemicals, etc.).

These specialized import and export companies were to carry out their transactions exclusively through the corresponding departments of the Trade Delegations. The “Gostorgs” and the industrial and cooperative organizations, which still retained the right to trade with foreign countries, were likewise to effect their transactions through the same Trade Delegation departments. Consequently, the Gostorgs ceased to act as exporters of basic commodities and concentrated on secondary and new items of export. Since all export and import transactions were now handled by the Trade Delegations, the possibility of several Soviet organizations selling or purchasing the same article in the same country was eliminated—a single “Soviet merchant” now traded in each commodity. A reform of the Trade Delegations followed the setting up of these specialized import and export companies. Formerly subdivided into a control and a commercial section, they were now divided into an import and an export department, each with subsections dealing in one or several of the more important exported or imported commodities.

With the object of further co-ordinating the work of apportioning products between the home market and export trade, the

People's Commissariat of Foreign Trade and the People's Commissariat of Home Trade were merged, in November 1925, into a single People's Commissariat of Trade. One of the departments set up as part of the new Commissariat was the Administration of Foreign Operations which became the central apparatus for planning, directing, regulating, and controlling trade with foreign countries. This administration had an export and an import department with sections dealing in certain commodities, or groups of commodities, as well as various technical sections attached to it, such as Trade Delegation, Planning and Licensing, Economic, Transport, etc. Two special organizations, "Transport" and "Sovtorg" (Soviet merchant fleet) were created to co-ordinate the transport work connected with foreign trade. Such was the organization of foreign trade until the end of 1929.<sup>4</sup>

In 1930-1931 the organization of foreign trade underwent a further reform, partly necessary because of developments which took place in the country's economy and partly because of changed conditions in the world market. At home the role of the private sector of the national economy was becoming negligible. Organized private trade was practically at an end. The entire home trade was in the hands of either State or co-operative organizations. In

<sup>4</sup> In these years, methods of export and import suffered from a number of defects which the new reform sought to remove.

Some appraisals of the export and import of this period follow:

"As happened before, instances occur where goods exported fail to conform to recognized standards, viz. similar products are exported from different districts in different packings, bearing different trade marks, etc.; this lowers the value of the exports. Export organizations are often unaware of the demands prevailing in the world market, or they are ill-informed. Methods of marketing Soviet goods sometimes lack commercial flexibility and adaptability. Besides external causes which delay the improvement of the qualitative side of export work, there are defects in organization which affect the interests of export trade unfavorably." (*Ekonomicheskoe Obozrenie*, No. 3, 1929, p. 107.)

"The quality of export goods is defective, packing and transport arrangements are poor; there are defects in the planning and execution of capital construction in the export branches of the national economy, in information and coordination of trade transactions, and in methods of work abroad; there is also an absence of a well defined limitation of spheres of action between foreign trade organizations"; such were the criticisms formulated at the All-Union Export Conference. (*Sovetskaya Torgovlia*, No. 15, 1929.)

"The system of import licences at a time when the need for imports is acute compels enterprises to seize hurriedly the opportunity of obtaining import licences, with the result that equipment is ordered without taking into account the actual time required for completion of construction, while orders placed suffer from insufficient technical scrutiny." (For further details, see *Ekonomicheskaya Zhizn*, Sept. 26, 1929, and *Torgovo-Promyshlennaya Gazeta*, Sept. 8 and 11, 1929.)

1929, a drive for the mass collectivization of agriculture was inaugurated, and the methods of procurement of agricultural products were changed. Both procurement and distribution were being centralized. Bread rationing was followed by rationing of other agricultural products and manufactured goods. The administration of State industry was also undergoing a reorganization aimed at further planning and control in both production and distribution. Mobilization of all material and labor resources was under way to bring about the country's industrialization in which foreign trade was to play an important role. A large increase in exports was planned in order to pay for the import of equipment necessary to build industries, for the manufacture of agricultural machinery needed for the new large collective farms, for transporting materials and rolling stock required by the new industrial regions, and to satisfy the needs of the rapidly growing urban population.

As it happened, this export drive coincided with the beginning of the world trade crisis. It became more and more difficult to market Soviet exports, and prices on most Soviet commodities were falling rapidly. The notorious press campaign against "Soviet dumping" and "the use of forced labor" in the procurement of Soviet exports culminated in some countries in an embargo on Soviet exports and an introduction of discriminatory customs restrictions. It therefore became necessary to specialize foreign trade transactions still further, and to shift the focus of export and import organizations. These considerations determined the reorganization of the foreign trade machinery which took place in 1930-1931.

In February 1930, it was decided to eliminate the still existing multiplicity of organizations trading in the same goods; the existing export and import joint-stock companies were amalgamated into completely monopolistic export and import corporations acting on behalf of the People's Commissariat of Trade. These monopolistic export and import corporations took over all the trade in certain goods and were given the status of legal persons. They carried out the entire operational and technical work connected with import and export transactions and were responsible for planning insofar as it concerned the goods in which they specialized. All other organizations previously entitled to trade with foreign countries now lost this right.

The work of the export corporations was to sell abroad the goods received (a) from the home trade procurement organization and (b) from the marketing boards of various industries, both of which were charged with the responsibility for supplying the actual export goods. In this way, the function of supplying and building up stocks for export was completely dissociated from that of exporting and marketing them abroad.

The monopolistic export and import corporations conformed to the principle of centralization and specialization. They had the right to open local branches and offices which were to work in close contact with the home trade procurement organizations and with industry's purchasing and marketing boards. The Gostorgs continued to exist for some time as suppliers of export goods, subordinate to export corporations; in time, they lost their importance and were gradually liquidated, along with the mixed companies. In the years following this reform, all transactions in the principal items of export and import came to be handled by a number of monopolistic export and import corporations.

In November 1930, the People's Commissariat of Trade was split into two independent commissariats, the People's Commissariat of Supply, which took over responsibility for home trade, and the People's Commissariat of Foreign Trade of the USSR. The reason for this subdivision was given in the following official statement: "The sharp distinction in the method and form of trading at home and abroad make it necessary to reconstruct the system of direction and control of home and foreign trade. By now, two systems have been evolved by the People's Commissariat of Trade itself; the one being adapted to the new conditions of the home market, while the other is made to suit the peculiar methods and circumstances operating on foreign markets and to uphold unchallenged the monopoly of foreign trade. . . ."

"The main problem of the earlier period was to mobilize as energetically as possible the entire exportable resources of the country; at this stage the difficulty lay not in selling them abroad, but in obtaining them at home; now, under the new conditions, the difficulty was to find a foreign market for them . . . with the decline of private trading, problems of supply had become exceptionally important; in connection with this, and also because of the need for specialised direction in the increasingly complex

conditions of foreign trade, the People's Commissariat of Foreign and Home Trade of the USSR (Narkomtorg SSSR) was reorganised and split into two commissariats—the People's Commissariat of Foreign Trade and the People's Commissariat of Supply." The reorganized People's Commissariat of Foreign Trade focused its attention mainly on planning, managing, and controlling foreign trade without interfering in the daily operational work of the monopolistic export and import corporations. In February 1931, in order to stimulate the carrying out of planned objectives and to supervise their fulfillment, the powers of the commissioners of the People's Commissariat of Foreign Trade were extended. In line with this, the Commissariat was now entitled to appoint commissioners not only to the allied and autonomous republics, regions, and provinces, but also to send them to places of definite importance in foreign trade. It was their duty to supervise and check the fulfillment of the government regulations and of the orders issued by the People's Commissariat of Foreign Trade to all the organizations connected with carrying out foreign trade plans, and further, to work out measures for expanding imports, to participate in the work of local organizations in fixing the supply quotas earmarked for export, and to draft the import plans for transactions within their administrative area. In general they were the "eye" of the Commissariat within their area. In September 1931, Export Conferences were attached to republican Councils of People's Commissars (Sovnarkoms) and Economic Councils to the presidiums of regional, provincial, and district Executive Committees, as well as to the presidiums of larger town soviets to study means of improving the quality and expanding the range of export goods.

Officially, all transactions with foreign firms were made as previously through the Trade Delegations, but in practice the whole technical work of placing orders abroad and marketing exports was carried out by the monopolistic export and import corporations. Consequently, the Trade Delegations could concentrate on general direction, co-ordination, and supervision of the trade with the country to which they were accredited. No longer burdened with minor export and import transactions, they were able to reduce their expenses and improve their work.

The existing system succeeded throughout the 1930–1934 period

in maintaining the volume of Soviet exports at a level somewhat above that reached in 1929, although the world crisis in those years had brought about a marked decline in world trade. The marketing of Soviet exports met with many difficulties in the crisis with the result that goods had to be sold at low prices. Nevertheless it was possible in this period to import materials and equipment, on a large scale, for the planned industrialization of the country. By the end of the period, the necessity for an extreme expansion of exports, to pay for the urgently wanted imports, could be regarded as over. At home a new base for the further industrialization of the country was now in existence; imports and exports, consequently, could be reduced and more goods could be allocated to home consumption. In 1935 agricultural products and, later, manufactured goods were de-rationed. That same year, for the first time, a favorable balance of payments was achieved and the growing tonnage of the Soviet mercantile marine made Soviet trade less dependent on foreign shipping. Moreover, the world crisis was subsiding, world trade conditions were improving, and the Soviet Government was able to obtain long term credits on more favorable terms than before.

All these circumstances made it possible to take further steps in improving the trade organization of the USSR. A Soviet Government regulation, dated July 27, 1935, decreed that henceforth most export and import business should be negotiated not abroad but *within* the USSR. The main points of the reform were as follows: (a) Export, import, as well as transport, corporations, were granted the right to conclude contracts with foreign firms—whether abroad or in the USSR—without first obtaining the sanction of the People's Commissariat of Foreign Trade; they were also entitled, henceforth, to issue and accept bills of exchange from foreign firms without preliminary sanction; (b) Foreign firms were to deliver their goods within the USSR. The sale of Soviet exports was no longer to be effected from warehouses situated abroad, but on the showing of samples, standards, and descriptions, c.i.f. and f.o.b.; (c) Accounts with foreign firms were to be settled within the USSR and the arbitration of disputes was similarly transferred there; (d) The chartering of foreign ships was to be made in the USSR by Soviet transport corporations; the corre-

sponding Soviet agencies abroad closed down; (e) Some of the smaller export and import corporations were amalgamated; others were liquidated and their functions taken over by other corporations; <sup>5</sup> (f) The machinery of Trade Delegations, and of the export and import corporations abroad, was cut down, and their trained staffs transferred to the monopolistic corporations working within the USSR.

Though some purely technical adaptations and improvements were thereafter introduced, this system of foreign trade underwent no major change in later years.

<sup>5</sup> E.g. the export corporation *Ryboplodoeksport* (exporting fish and fruit), *Mineral-silikateksport* (exporting minerals and silicates) and *Torgsin* (shops for tourists) were liquidated in 1935, while *Tekstilimport* (importing textiles) became *Promsyrieimport* (importing industrial raw materials).



### CHAPTER III

## THE ORGANIZATION OF SOVIET FOREIGN TRADE ON THE EVE OF THE SECOND WORLD WAR

**T**HE system of Soviet foreign trade in force in 1939 was the outcome of the many reforms described in the previous chapter, and can be outlined as follows:

A. The system is headed by the People's Commissariat of Foreign Trade, which carries out the general direction, planning, and control of the foreign trade of the USSR. At home its commissioners, in the republics, regions, provinces, and at other places of importance to foreign trade, act as its local authorities. Abroad, the Commissariat has its Trade Delegations (*Torgpredstva*), accredited to various countries, as well as other trade agencies acting on its behalf.

B. The monopolistic corporations carry on all export, import, and transport operations, with local offices and agents in ports and other strategic places. In the years immediately preceding the Second World War most export and import transactions took place within the territory of the USSR, with only a small proportion of export transactions negotiated abroad. These, according to the volume and nature of the transactions, were carried out by the Trade Delegation departments specializing in definite groups of goods, their general commercial departments, or by the foreign branches of the monopolistic corporations. The only survivors of the old joint-stock companies for foreign trade were the Amtorg trading corporation in the United States, the ROP (Russian Petroleum Products Co.) in Great Britain, and the Black Sea and Baltic Insurance Co., a shipping insurance society also working in Great Britain.

The monopolistic corporations have the status of independent legal persons and act on their own responsibility under the general supervision and control of the People's Commissariat of Foreign Trade. Moreover, there are special organizations designed to

assist foreign trade, namely the All-Union Chamber of Commerce, the Export Conferences, attached to the Sovnarkoms of the allied and autonomous republics and to regional, provincial, and some district Executive Committees, and the Scientific-Research Institute of the Monopoly of Foreign Trade. The State Inspection Offices, which pass on the quality of export goods, and the local customs offices are local technical organizations.

The various links which form the chain of the Soviet foreign trade system, with details on their functions, are given below.

### *The People's Commissariat of Foreign Trade*

This Commissariat works out (1) international trade treaties, agreements, and conventions and participates in negotiations with foreign States and in the conclusion of agreements; (2) lays down and supervises the fulfillment of measures designed to uphold the principle of State monopoly as well as measures for achieving the objectives set forth in the plan for the development of foreign trade; (3) examines and approves the export, import, and transport plans for various commodities submitted by the monopolistic corporations concerned, and drafts the general plan of foreign trade for examination and approval of the Government of the USSR; (4) directs and controls its organs both at home and abroad in carrying out the approved plans of foreign trade, and also directs and controls the activities of the corporations; (5) fixes rules and procedures for transacting foreign trade and issues the necessary authorization for trade to all organizations, whether Soviet or foreign, engaged in foreign trade; (6) directs the work of expanding and improving the quality of exports, and inquires into the possibility of replacing imported articles by articles manufactured at home; (7) works out and supervises practical measures for financing foreign trade at home and for obtaining credits abroad, draws up foreign exchange and financial plans, and supervises their execution by all organizations engaged in foreign trade; (8) studies problems of customs and tariffs and supervises the administration of customs; (9) directs and supervises the capital construction necessary to meet the needs of foreign trade; (10) directs the training and selection of the staff employed in foreign trade.

For the execution of its duties, the Commissariat is organized as follows:

1. The *Department of Planning and Economics* which has several sections: the Section of the Coordinated Export Plan, the Section of the Import Plan, the Section of Planning of Production and Labor for Foreign Trade, and the Department of Conjuncture whose responsibility it is to study the trends of the world market from the angle of Soviet foreign trade.

2. The *Export Administration* which has subsections specializing in various basic commodities, a Section of Planning, a Section of Finance, and a Section of the People's Commissariat of Foreign Trade Commissioners and Personnel employed on export work.

3. The *Import Administration* which has subsections specializing in the various basic commodities, a Section of Planning, a Section of Finance, and the Section of Personnel employed on import work.

The Export and Import Administrations direct the entire export and import work, both at home and abroad. They examine and submit for approval export and import plans sent in by the corresponding corporations, amalgamate these plans, each of which deals with certain commodities, into the general export and import plans, and transmit them for ratification in accordance with the established procedure. They fix the quotas of export goods to be provided by the allied and autonomous republics, regions, and provinces and assign the import quotas between the corresponding Soviet organizations and enterprises. They also outline and control the general work of export and import corporations; direct the work of the Commissariat's commissioners and Trade Delegations in matters of export and import; examine and submit for approval the financial plans of export and import corporations and audit their books and accounts.

4. The *Eastern Department* is responsible for trade with the Eastern countries, namely Turkey, Iran, Afghanistan, Western China, the Tuva People's Republic and the Mongolian People's Republic. It draws up plans for trading with Eastern countries, supervises the fulfillment of these plans by means of export and import corporations engaged in trade with the East, and also supervises the work of Trade Delegations accredited to these countries. Furthermore, it directs the transport of goods to and from these countries.

5. The *Chief Transport Administration* has a shipping and a

railway department as well as a department of foreign transport operations. This Administration draws up measures and plans for transport in connection with Soviet trade with all countries excepting the East. It supervises the chartering of Soviet and foreign ships and, in general, cooperates with the country's transport organizations in all matters connected with foreign trade.

6. The *Foreign Exchange and Finance Administration* works out the consolidated foreign exchange and finance plans. It also plans the credits of Soviet foreign trade and supervises the fulfillment of these plans. It draws up general rules to be observed in financial and credit agreements with foreign firms, and examines general problems of foreign exchange and credit policy connected with foreign trade.

7. The *Department of Trade Delegations* works out problems of foreign trade policy, supervises the fulfillment by both Soviet organizations and foreign States of treaties, agreements, and conventions in force, and directs the general work of Trade Delegations and trade agencies.

The People's Commissariat of Foreign Trade has also other departments set up for definite purposes: e.g. the Department of Control, Bookkeeping and Audit, the Chief Customs Administration, the Department of Concessions, Capital Construction, Arbitration, the Administration of the People's Commissariat of Foreign Trade Schools, and other technical departments necessary for giving effect to the various functions of the Commissariat.

The Commissariat has *commissioners* resident in the provinces. In allied republics, they are ex officio members of the republican Sovnarkoms while, in regions and provinces, they are members of the central executive authorities. In matters of planning, regulation, and control of foreign trade their responsibilities within their respective areas are considerable. They ensure that all organizations situated within their administrative area fulfill the government regulations regarding foreign trade as well as orders emanating from the People's Commissariat of Foreign Trade, and also that industrial and supply organizations fulfill the planned deliveries of export goods and check the quality of these goods as well as the work of State Quality Controlling Offices. They submit to the central authorities of their respective administrative areas proposed measures for expanding export, and for investigat-

ing the possibility of exporting new items, together with planned export quotas and "control figures." Furthermore, they supervise the state of warehouses, harbors, and transport facilities. Generally speaking, they are the "eyes" of the People's Commissariat of Foreign Trade within their administrative area, regulating and controlling the activities of all organizations engaged in export work. The commissioners are assisted by the *Export Conferences* which, as has already been said, are auxiliary organizations for promoting the country's foreign trade. There are Export Conferences attached to every republican Sovnarkom, to every region and province, and to some district Executive Committees. The managers of all local organizations engaged in or connected with export work are members of these conferences, which are presided over by the chairman of the corresponding republican Sovnarkom, or by the chairman of the regional or provincial Executive Committee, or by his deputy. The competence of the individual members gives much authority to these Export Conferences in matters of control and supervision, and enables them to assist the commissioners in the performance of their numerous duties.

Abroad, the Commissariat carries out its planning, regulation, and control of foreign trade by means of its Trade Delegation.<sup>1</sup> It is the duty of the latter (1) to contribute to the development of commercial and economic relations between the USSR and the country to which the Trade Delegation is accredited; (2) to plan and regulate the entire Soviet foreign trade and, in particular, to regulate and control the commercial activities of the Soviet export and import corporations in that country; (3) to grant import licenses for goods entering the USSR, certificates of origin, and transit permits through the USSR, and to sanction the contracts signed by Soviet organizations and supervise their fulfillment; (4) to study the general economic conditions and market trends in each country from the point of view of Soviet foreign trade, and to supply foreign firms with information on trading conditions with the USSR; (5) to negotiate directly with foreign buyers and

<sup>1</sup> Before the 1939 war, Trade Delegations existed in Great Britain, Belgium, Germany, Greece, Denmark, Iran, Spain, Italy, Latvia, Lithuania, the Mongolian People's Republic, Norway, Poland, Turkey, the Tuva People's Republic, Finland, France, Estonia, Czechoslovakia, Sweden, and Japan. In Rumania and Western China, the USSR, had Trade Agencies only.

sellers regarding commodities for which the Trade Delegation remains the trading agency. This latter activity decreased in importance in the immediate pre-war years since most transactions were effected on Soviet territory by export and import corporations. The work of the Trade Delegations was mainly in planning, regulating, and controlling Soviet trade with their several countries.

The *Monopolistic Corporations* include:

(a) The *export corporations*<sup>2</sup> which (1) elaborate prospective and operational export plans concerned with their particular range of goods; (2) put the approved plans into effect, i.e. receive the export goods delivered by the supply and industrial organizations, and take responsibility for exporting such goods, work out and put into practice measures for increasing the volume and improving the quality of the goods they export and for establishing qualitative standards and bringing the supply organizations into line with their requirements; (3) develop measures for expanding the production of export goods and for extending capital construction connected with foreign trade, as well as measures for raising the profitability of export trade by reducing commercial and overhead expenses and by obtaining better conditions in foreign markets. This involves a study of trends in foreign markets which affect the goods in which they deal.

These export corporations are monopolistic concerns subdivided into "operational offices" each of which specializes in the export of one definite commodity. In practice these offices sign the actual contracts with the representatives of foreign firms and fulfill, on behalf of their corporations, the above-mentioned functions, each office being responsible for its particular commodity. Export corporations maintain offices and agents at supply and production centers, at ports to receive the export goods (occasionally to sort and pack them), and to dispatch them abroad.

<sup>2</sup> The principal export corporations are: *Eksportles*, which exports lumber and various timber products; *Soiuznefteksport*, which exports oil and petroleum products; *Soiuzpushnina*, which exports furs of all description from raw and dressed skins to finished articles; *Eksportkhleb* exporting grain, sugar, poultry, and other foodstuffs; *Eksportlen*, flax, cotton, and articles made thereof; *Soiuzpromeksport*, chemicals, minerals, and some finished articles; *Tekhnоекспорт*, machinery, equipment, rolling stock, and various metal goods; *Soiuzugleeksport*, coal, and manganese and iron ores; *Raznoeksport*, raw hides, bristles, down and feathers, tobacco and tobacco products, medicinal herbs and many other secondary goods; *Mezhdunarodnaya Kniga*, books and other publications, photographs, and stamps.

(b) The *import corporations*<sup>3</sup> (1) work out prospective and operational import plans concerned with their special commodities; (2) carry out the approved plans, i.e. sign contracts with Soviet organizations requiring imported goods and place orders with foreign firms; (3) devise and sponsor measures for replacing imported articles by articles manufactured at home, as well as measures for obtaining better quality imports at lower prices; (4) study the foreign market trends affecting their goods as well as new developments in foreign commercial and industrial techniques with a view to introducing them into Soviet industry. Several import corporations also effect a number of export transactions connected with their particular range of commodities; e.g. *Promsyrieimport* imports cotton, but at the same time it exports some particular varieties of Soviet cotton. Conversely, some export corporations import various articles belonging to the same class as their exports; e.g. *Raznoeksport* exports some kinds of leather and hides, and imports others; *Soiuzpushnina* both imports and exports furs; *Mezhdunarodnaya Kniga* exports Soviet publications and imports foreign books. In such cases, specialization according to the class of goods outweighs the advantages of a strict separation of importing and exporting functions.

(c) There are also some special monopolistic *transport corporations* which are responsible for the transport side of Soviet foreign trade.<sup>4</sup>

The *All-Union Chamber of Commerce* has already been mentioned as an auxiliary organization. It is not a State, but a public, organization whose membership is recruited from among State and public institutions, organizations, and enterprises. Its function is to assist Soviet and foreign organizations and enterprises in matters connected with Soviet foreign trade. The Chamber devises measures designed to foster the development of Soviet foreign trade, supplies advice and information to Soviet organizations,

<sup>3</sup> The principal import corporations are: *Mashinoimport*, importing machines; *Stankoimport*, lathes and machine tools; *Tekhnopromimport*, technical and industrial appliances and equipment; *Promsyrieimport*, industrial raw materials; *Soiuzmetimport*, metals; *Raznoimport*, various goods of secondary importance.

<sup>4</sup> The principal transport corporations are: the *All-Union Corporation Sovfrakht* which charters Soviet and foreign ships; *Lenvneshttrans* which serves the Arctic and Baltic sea trade routes, and the *Iuzhveshtrans* which serves the trade routes of the Black Sea basin. An account of special monopolistic corporations trading with the Eastern countries will be found below in the general outline of Soviet trade with the East.

and to foreign firms wishing to trade with the USSR. It is responsible for publicity and advertising (e.g. it publishes relevant information, organizes exhibitions held in the USSR or abroad, sets up foreign trade museums). It is also responsible for patents (e.g. it obtains foreign patents, registers Soviet patents, negotiates with foreign firms in matters connected with patents, etc.). It also keeps records of customs legislation in force in other countries and supplies Soviet organizations with information on the subject. Furthermore, it issues and stamps certificates of origin for export goods, and performs many duties similar to those performed by chambers of commerce in other countries. A *Maritime Arbitration Commission* and a *Foreign Trade Arbitration Commission* are attached to the *All-Union Chamber of Commerce*. The former is competent to judge in disputes arising from collision at sea or the chartering and insurance of ships, or over payment due for help given to ships, and any other disputes connected with sea transport. The latter arbitrates all disputes arising from trade transactions involving Soviet organizations and the foreign firms with which they deal.

Before closing this account of the structure of the Soviet foreign trade system, comment is necessary on the general planning of exports, imports, and foreign exchange transactions.

Planning of foreign trade is only one of the component parts of the general plan of economic development of the USSR. The foreign trade plan is drawn up according to the same pattern as the general economic plan and, like the general plan, includes a prospective plan covering several years and operational plans to be executed within the coming year, quarter, or month. The prospective plan of foreign trade, as part of the general prospective plan, is usually made to cover five years, laying down the aims to be pursued as well as provisional quantitative targets to be achieved in the course of those five years. The annual plan is an operational plan, which is more detailed, definite, and binding.

*The planning of exports.* The drafting of the annual export plan is on the following lines: First, the State Planning Commission of the USSR (Gosplan) sends general instructions regarding the annual plan for the development of foreign trade to the Department of Planning and Economics of the People's Commissariat of Foreign Trade; this department sets annual export "control lim-



its," and transmits them to the export corporations. The "control limits" fix not only the quantities of goods to be exported, but also their sale prices, the expenses incurred in the course of export, the countries where the commodities are to be sold, and the amounts to be sold in each country; they decide the stocks allowed to remain in warehouses at home and abroad, together with other instructions for increasing the efficiency of export transactions. On the basis of these annual control limits, the export corporations draft detailed provisional plans concerning their specific commodities, and submit them to the People's Commissariat of Foreign Trade, which then draws up the co-ordinated annual plan which it submits for approval to the government. The drafting of concrete plans starts with an assessment of the so-called material balances of those goods. The purpose of working out such material balances is to ascertain the available resources of any given commodity. The preparation of material balances is not made by export corporations but by organizations which control the productions and distribution of that commodity. Export corporations examine the balances submitted to them to ascertain the extent to which they can be made to conform with the practical possibilities of export and how they will best serve the general aims set for export trade in a given period. These provisional material balances take into account the volume of planned production of the given commodity, its marketable output, existence of stocks left from the previous period, the amount of the planned domestic consumption of that commodity, and the amounts that can be earmarked for export or allocated to reserves. The export corporations analyze each item of these material balances, from the point of view of the tasks set them as regards that commodity, and then introduce counter-proposals. From the provisional material balances the export corporations fix the exportable amount of any given commodity and draw up (1) a *plan of deliveries* to be supplied by the producing enterprises, (2) a *plan of export*, and (3) a *plan of sales*.

Both the annual and quarterly plan of deliveries is drawn up according to goods, suppliers, and areas. Within the framework of the plan, export corporations conclude general agreements with the suppliers of various classes of goods. The agreements contain clauses regarding the amounts to be delivered, the enterprises

which will supply the goods, the prices, the conditions of payment, modes of delivery and acceptance, responsibilities of both sides for the fulfillment of the agreement, and other general stipulations regarding the delivery of goods by the supplier and their acceptance by the export corporation. When the general export plan has been approved by the government, and the People's Commissariat of Foreign Trade has forwarded it to the corresponding export corporations, the latter conclude *local* and *direct* contracts with their suppliers.<sup>5</sup> In these local contracts, the general conditions laid down in the previous general agreements for the delivery of export goods by the suppliers to the corporations are restated and defined with more precision and in greater detail. Direct contracts are concluded by export corporations with the agencies actually delivering the export goods.

The *plan of export*, i.e. the plan dealing with the *actual* exportation of goods abroad, takes into consideration the plan of deliveries, the plan of stocks and reserves of each class of the given commodities, the possibilities of marketing them in the given period, the countries where they are to be sold, the names of the foreign buyers, and various price and technical conditions.

The greater part of Soviet exports are sold f.o.b. and c.i.f., so that the actual export of goods and their sale coincide in time. However, some goods are sold from warehouses situated abroad and, in this connection, export corporations have to draft a plan of sales in addition to the plan of export. The plan of sales takes into consideration the type of goods and the countries where they will be sold. The People's Commissariat of Foreign Trade fixes limits on stocks allowed to remain in warehouses abroad, not only to save foreign currency, which would otherwise be expended

<sup>5</sup> Toward the end of 1940, this method of concluding contracts for the supply of export goods underwent a change. Henceforth export goods were provided by the Commissariats and other supply organizations upon orders of the Economic Council of the Sovnarkom of the USSR. The People's Commissariat of Foreign Trade sent in its application forms for the commodities, which in the USSR are pooled and allocated by a central authority, to the Economic Council, and, at the same time, informed the USSR State Planning Commission and the corresponding suppliers—Commissariats and other organizations—of the amount of goods and dates of delivery stated on the application forms. On the basis of orders from the Economic Council, export corporations issued the suppliers with requests for the delivery of the export goods required. The conditions set down in these requests are very similar to those embodied in the former contracts but they are more binding for the supplier. (For details, see the regulation of the USSR Sovnarkom, October 3, 1940. Collected regulations, orders, and instructions on financial and economic matters, Nos. 21-22, 1940.)

on storage charges, but also to speed up the turnover of goods.

Within the framework of the approved annual plan, the export corporations work out quarterly and monthly plans, taking into account any discrepancies between planned and actual exports which may have occurred, whether due to conditions at home (changes in production or internal consumption) or abroad (difference in actual and planned sales). However, alterations introduced by the export corporations into their quarterly plans must not alter the annual plan as a whole, and must be sanctioned by the People's Commissariat of Foreign Trade. In no case can they invalidate the annual plan, which always remains the measure of plan fulfillment.

Monthly export plans are precise and binding subdivisions of the quarterly plans. After approval, the plans of export corporations are transmitted to their branches and offices for execution and also to the commissioners of the People's Commissariat of Foreign Trade and Export Conferences, whose duty it is to supervise and control the fulfillment of the plans within their respective territories.

*The planning of imports* is similar to that of exports. Prospective plans are elaborated for several years ahead and form part of the general prospective plan for the development of the national economy as a whole. The elaboration of the import plan passes through the following stages: Soviet organizations requiring imported raw materials, manufactured goods, or other products, send in their applications to the USSR State Planning Commission (Gosplan). The Gosplan examines these applications, inquires into the possibilities of home production and, bearing in mind the general aims of the annual plan for the development of the national economy, draws up a kind of balance sheet showing potential home production of each commodity and the need of imports from which it drafts a provisional plan of imports. On the basis of this draft, the People's Commissariat of Foreign Trade works out its own draft of imports which takes into consideration the obligations of the USSR arising from its trade agreements with various countries and also the foreign exchange expected from the export trade.

An annual plan of the People's Commissariat of Foreign Trade drawn up by its Import Administration in collaboration with the

monopolistic import corporations is based on the general economic plan for that year. Both provisional import plans, i.e. the draft elaborated by the Gosplan and that worked out by the People's Commissariat of Foreign Trade, are submitted to the Soviet Government for examination, co-ordination, and ratification. Up to 1937, the government ratified the annual import plan and, at the same time, apportioned the annual quotas of goods allocated to various departments and organizations, and fixed dates of payments. Since 1937, the government fixes the yearly quotas only for certain mass imported goods (these mass imported goods are non-ferrous metals, rubber, industrial diamonds, some mass processed foodstuffs, and so on) which are distributed from the center by special trading organizations which are the sole suppliers of these commodities to domestic consumers throughout the country. As regards commodities not imported on such a mass scale and not distributed by one central agency, import licenses are issued to applicants by corresponding departments and institutions, individually in each case, on the basis of the general import plan. For equipment and similar specialized goods, limits are set only to their value, and within those limits importing corporations can vary the quantities imported. The purpose of this change was to allow more freedom and greater flexibility to import trade.

The following items come within the scope of import planning: (a) amount and value of imported goods; (b) countries where the orders are to be placed (considerations other than commercial influence the placing of orders in various countries, e.g. general trade and political relations with the particular country, obligations arising from treaties, the balance of trade with that country, its importance as a market for Soviet exports, currency restrictions, and the like); (c) general conditions and dates of payment according to basic groups of goods and countries.

The quarterly plans are operational subdivisions of the annual plan. They are drawn up by the import corporations and approved by the Import Administration of the People's Commissariat of Foreign Trade. In addition to the planned items already enumerated, they include (a) a goods and firms plan, i.e. a plan stating the exact orders to be placed with certain firms for certain goods, and (b) a plan for the dispatch of goods from the country of origin

and their delivery in the USSR. The purpose of the first of these supplementary plans is to eliminate the possibility of the same corporation concluding unco-ordinated contracts with several foreign firms, or of various corporations concluding contracts with the same foreign firm with commercially and technically different clauses; the second is important because it fixes dates of delivery of the imported goods, and also the dates on which import corporations must settle their accounts, in foreign and internal currencies, with foreign firms and domestic clients respectively. For paying their foreign suppliers, import corporations receive, together with their quarterly plans, the necessary permits for foreign exchange; prior to receiving these permits no corporation can operate. Domestic clients pay the import corporations a commission for orders carried out; the scale of commissions is fixed annually by the People's Commissariat of Foreign Trade, while the exact fees are stipulated in the contracts concluded between import corporations and their home clients.

After the ratification of the import plan, import corporations proceed to carry it out. Several procedures are possible, the simplest being adopted for the purchase of raw materials. These are usually bought at commodity exchanges in the principal centers for the given raw material, mainly at the London, New York, Amsterdam, and Brussels commodity exchanges. The technique of buying is that in force at the commodity exchange of the relevant country and for the relevant merchandise. The purchase of goods at commodity auctions by Soviet import corporations also conforms to the accepted practice for this kind of transaction. Goods bought by import corporations at commodity exchanges and auctions are purchased on behalf of the Chief Administrations of various People's Commissariats <sup>6</sup> for distribution by them to their consumers.

As regards goods other than raw materials and auction goods, the practice of Soviet import corporations differs considerably from that elsewhere. Toward the end of the year, import corporations conclude *general agreements* with their regular domestic clients for the purchase of import goods. After the annual import

<sup>6</sup> Of these Chief Administrations, *Glavresina* purchases rubber, *Glavmed* purchases copper, *Glavtsinksvinets*, zinc and lead, *Glavnikelolovo*, nickel and tin, *Glavredmet*, rare metals, *Soiuzzagotsherst*, wool, *Glavkhloppromsbyt*, cotton and cotton goods, and *Glavpenkodzhut*, hemp, jute, and sisal.

plan has been approved, they conclude a second revised contract, called *executive contract*, which contains clauses on import quotas, desired standards of imported goods, probable price, conditions of delivery, rate of commission charged, and similar commercial and technical stipulations. Should the client or the corporation, at the time when the contract is signed, lack adequate data for fixing the commercial and technical stipulations, the parties sign a contract "for the working out" of the client's order.

The first step in placing an order is to set up an "import card" in which all the information concerning the article is set down, together with the conditions of purchase and delivery, its price in the USSR if produced at home, and a visa of the corresponding industrial organization confirming that the article is not manufactured or cannot be manufactured within the given time limits in the USSR. After the import card has been completed, the import corporation makes inquiries from appropriate foreign firms as to the conditions under which the given article can be bought from them. The offers received from foreign firms are compiled by the corresponding sections of the import corporations into *competitive lists*, tabulating the main points of the offers received from various firms regarding the article. The import corporation negotiates with the firm chosen and thereafter the transaction is effected in the usual manner.

Occasionally importing corporations conclude with foreign firms long-term contracts, known as general agreements, for the supply of certain goods; by these contracts, Soviet import corporations agree to buy, and the foreign firms to supply, definite quantities of certain goods during a stated period and on definite conditions, though individual orders may be placed as need arises so long as the agreement remains in force. In some cases, when a foreign firm both exports to and imports from the USSR, the Soviet import corporations arrange for the export corporations to conclude supplementary agreements with the same firms.

The *foreign exchange plan* of foreign trade is the main part of the general planned balance of payments of the USSR. This planned balance of payments—annual or quarterly—consists of two parts: a foreign exchange plan covering all commercial transactions, and the non-commercial foreign exchange plan. The latter

is not prepared by the People's Commissariat of Foreign Trade but by the USSR People's Commissariat of Finance, and contains all receipts and disbursements in foreign currencies not connected with foreign trade operations, e.g. receipts and expenses included in the State Budget (maintenance of diplomatic missions, interest received or paid on foreign State loans, etc.), payments to foreign concession holders, income and expenditure arising from non-commercial money transfers, tourist traffic, transport other than that of goods, and sundry other non-commercial payments in foreign currencies. The plan as drawn up by the People's Commissariat of Foreign Trade is a consolidated plan of the foreign exchange plans of the export, import, and transport corporations and of other organizations connected with foreign trade. It includes the planned remuneration of foreign firms for technical assistance and other expenditure indirectly connected with foreign trade, and also the State Bank's foreign exchange credit plan, the State Bank having the monopoly of foreign exchange transactions.<sup>7</sup>

On the basis of its export and import plans, export and import corporations draft their foreign exchange plans and submit them for examination and approval to the People's Commissariat of Foreign Trade. The foreign exchange plans of export corporations include planned receipts from the sale of goods in the planned period (i.e. goods already exported and those to be exported under the export plan for that period), planned receipts from credits, and other receipts in foreign currency connected with the export plan as well as various overhead and commercial charges, and expenditures on the repayment of export credits and other disbursements arising in the course of export trade. The foreign exchange plan of import corporations includes payments for goods

<sup>7</sup> The State Bank has the monopoly of all transactions—sales, purchases, and transfers—involving foreign exchange. All receipts from exports, foreign credits, private money orders, etc., as well as all payments in foreign currency for imports, repayment of credits, and other disbursements are effected by the State Bank alone which, at the same time, supervises the fulfillment of the foreign exchange plan. All transactions with foreign countries are denominated in foreign currency because, since 1926, when the export of Soviet notes was prohibited, and 1928, when their import was likewise forbidden, Soviet rubles have not been quoted abroad and the ruble has become a purely internal currency. On the other hand all accounts between Soviet organizations connected with foreign trade are always settled in Soviet currency.

imported in the planned period, payments outstanding from the previous period, and various expenses likely to be incurred by import trade during the current period.

The plans of all the export, import, and transport corporations, as well as other organizations servicing trade, are co-ordinated in the commercial foreign exchange plan drawn up by the People's Commissariat of Foreign Trade. Besides the consolidated totals, the plan is tabulated according to countries. The non-commercial foreign exchange plan drafted by the People's Commissariat of Finance also is arranged according to countries; together the two plans form the balance of payments of the USSR with other countries. Financial relations with countries where monetary restrictions are in force are given in full detail.

The execution of the consolidated foreign exchange plan approved by the government—based on the commercial plan submitted by the People's Commissariat of Foreign Trade and the non-commercial one submitted by the People's Commissariat of Finance—is checked by means of consolidated statements. These are based on the foreign exchange account books of the State Bank, reports of the corporations and organizations engaged in foreign trade, and the foreign exchange accounts of non-commercial organizations and institutions. The annual statement on the fulfillment of the foreign exchange plan is at the same time the annual balance of payments of the USSR. The structure of this balance of payments is illustrated by the statement for 1935 and 1936 on page 39.

Such are the principal features of the Soviet foreign trade system.<sup>8</sup> This system permitted the foreign trade turnover of the USSR to develop in accordance with the general aims determined by the existing material possibilities within the USSR and abroad. Export and import plans were drawn up with definite aims in view. These aims were subject to change to suit the planned de-

<sup>8</sup> For fuller information regarding general and technical data on the organization of foreign trade and its planning, the reader is referred to the following publications of the Scientific-Research Institute of Foreign Trade: *The Foreign Trade of the Soviet Union*, edited by D. D. Mishustin, Moscow, 1938; *The Organisation and Technique of Soviet Export*, by M. M. Zhurmunsky, Moscow, 1938; *The Financing of Foreign Trade*, by L. Frey, A. Smirnov, G. Lopatin, and I. Zhelezniakov, Moscow, 1938; *Foreign Trade Transport*, edited by A. D. Keilin, Moscow, 1938; *Transport Law in the USSR and in Capitalist Countries*, by A. D. Keilin, Moscow, 1938. The descriptive material of this chapter is derived mainly from these sources.



**BALANCE OF PAYMENTS OF THE USSR FOR 1935 AND 1936**  
(in million rubles)

		<i>Current Items *</i>			
<i>Receipts</i>	1935	1936	<i>Payments</i>	1935	1936
1. Receipts from sale of export goods (f.o.b. prices)	1800	1497	1. Cash payments for imports including overhead charges (c.i.f. prices)	860	1328
2. Income from marine freightage (balance)	48	72	2. Expenses on technical servicing and assembly	23	23
3. Receipts from harbor dues and for the servicing of ships (balance)	11	2	3. Excess of State expenditure over State receipts abroad	57	55
4. Other receipts from transport (balance)	12	16	4. Interest on loans and credits (balance)	89	44
5. Receipts from insurance operations (balance)	6	2	5. Other expenses	—	62
6. Receipts from non-commercial transfers (balance)	62	7			
7. Receipts from the tourist trade and money spent by foreigners (balance)	29	35			
8. Other receipts	165	32			
9. Sale of gold	52	—			
<b>Receipts 1-9, total</b>	<b>2185</b>	<b>1663</b>	<b>Payments 1-5, total</b>	<b>1029</b>	<b>1512</b>
			Excess of Receipts over Payments on current items	1156	151
<i>Movement of Credits and Property Held Abroad *</i>					
<i>Claims</i>	1935	1936	<i>Counter-claims</i>	1935	1936
1. Repatriation of property held abroad (balance)	—	71	1. Repayment of State and concessionary loans	—	46
2. Receipts from State loans sold abroad	8	—	2. Repayment of import credits granted by foreign firms	694	354
3. Receipts from financial credits	—	242	3. Reduction of indebtedness made up of short term export and Bank credits	319	32
Inflow of credits and property held abroad 1-3, total	8	313			
Excess of outflow over inflow in the movement of credits and property abroad	1005	119	Outflow of credits and property held abroad 1-3, total	1013	432
			Net increase of the Soviet banks' foreign currency accounts held abroad	151	32

\* For details regarding the balance of payments of the USSR, see *The Financing of Foreign Trade*, L. Frey, A. Smirnov, G. Lopatin, and I. Zhelezniakov, Scientific Research Institute of Foreign Trade, Moscow, 1938, pp. 236-243.

velopment of the country's economy in the current period; in their turn the plans themselves were subject to the influences of developments taking place both in the national economy of the USSR and in the world market. In the next chapter a summary analysis is given of the course of Soviet foreign trade.

## CHAPTER IV

### GENERAL TRENDS IN THE DEVELOPMENT OF SOVIET FOREIGN TRADE

**M**ONOPOLY of foreign trade, and many reforms in organization, were introduced by the Soviet Government solely as a means of achieving the aims set for foreign trade as fully and efficiently as possible *under the conditions prevailing at that time at home and in the world market*. Therefore, in analyzing the development of the foreign trade turnover of the USSR, the four fundamental factors whose interplay determined this development should always be borne in mind: (1) the aims set in the field of foreign trade; (2) the conditions of production and consumption at home; (3) the conditions in the world market which affected Soviet exports and imports; and (4) the actual organization whereby Soviet foreign trade was effected.

In the first years of the Soviet regime factors (2) and (3) brought about an almost complete breakdown of trade relations between the USSR and the world market. The introduction of the N.E.P. in 1921 provided the opportunity for recovery in industrial and agricultural production. The first years of the N.E.P., in national economy as a whole and in foreign trade in particular, were therefore devoted to the restoration of the relations, between the various branches of the national economy, which had broken down in the course of the previous period, and to the rapid return of the country's productive capacities to their pre-war level. The over-all aim, however, was a reconstruction of the national economy on new foundations and the introduction of economic planning, so that the program of recovery of productive capacity was subject to government control and direction to this end. In the field of foreign trade the outstanding aim throughout the recovery period (1921–1926/7) was the quickest possible restoration of the trade relations, between the USSR and the outside world, which had been disrupted in the previous years (1917–1921). But here,

too, government control was exercised in the interest of the country's economy as a whole.

An outline of the forms of organization of foreign trade devised during the recovery period has been given in the preceding chapter; there was a multiplicity of trade channels which all came under the control of the People's Commissariat of Foreign Trade within the USSR and of its Trade Delegations abroad. The new foreign trade machinery was still in the making, and often the need for specializing and improving the new system was sacrificed to the need for centralizing trade transactions and, in particular, for centralizing the control and regulation of the trade turnover. Faults in the organization of foreign trade, though clearly perceived and sharply criticized, were tolerated because of the difficulty of eliminating them without weakening the central control which guided the development of the country's foreign trade turnover. In their turn, these defects reacted on the development of Soviet foreign trade.

During this period, recovery in productive forces was gradual. Moreover, although in the early years of the N.E.P. the recovery of agricultural production outstripped that of industrial production especially in the production of mass consumption goods, the growth of agricultural production and, particularly, of its marketable surplus, nevertheless lagged behind the home demand for agricultural produce. Consequently, the export of agricultural products—the principal items of export in Tsarist Russia—developed slowly and, as shown below, never attained the 1913 level even in the years when Soviet export trade reached its peak. The growth of export of industrial products was also slow. The heavy industries of Southern Russia had suffered from the Civil War, and the mining industry, which prior to the Revolution had been responsible for the bulk of industrial exports, was only in process of recovery. As a consequence, the total export trade of the USSR never reached the level achieved by Tsarist Russia in the last ten pre-war years of its existence. In 1913 Russia exported 24.1 million tons of goods to the value of 6,696 million rubles; in the last year of the recovery period (1926/7), the USSR exported 9.6 million tons of goods to the value of 3,267 million rubles. (For details, see table I.) The 1926/7 figures are not given here as a per-

centage of 1913 because of two factors; the territory of the USSR in 1927 was not the same as that of Russia in 1913, and the prices on Soviet exports had changed since 1913. To allow for territorial changes it is necessary, according to Soviet writers, to reduce the figures for Russia for 1913 by some 20 per cent to make them comparable to the figures for the foreign trade turnover of the USSR in 1927. The Scientific-Research Institute of the Monopoly of Foreign Trade has recalculated the foreign trade turnover of the USSR in 1913 prices; the result of these weighted figures is that Soviet foreign trade, in the peak years 1930 and 1931, reached only 60.9 per cent and 69.5 per cent respectively, of Russia's foreign trade turnover in 1913.<sup>1</sup> Agricultural produce, which in 1909-1913 accounted for 70.6 per cent of Russia's exports and yielded on the average 4,600 million rubles annually, produced only 1,955 million rubles in 1926/7 and accounted for only 59.8 per cent of the total. The considerable decrease in the export trade of the USSR as compared with that of Tsarist Russia affected most items and, in particular, grain, livestock, and poultry products as is clearly shown by the figures in table IV.

Industrial exports rose faster than agricultural exports but in no year of the recovery period did they reach the yearly average of 1909-1913. The maximum figure reached in 1926/7 was 1,462 million rubles as compared with 1,912 million rubles, the average figure in 1909-1913. The increased export of certain items (oil and petroleum products, rags and shreds, and concrete) did not balance the decrease in the export of other industrial raw materials (lumber and timber products, flax, tow, and swing tow) which had previously held a large place in Russia's export trade. The causes for the retarded recovery were on the whole the same for industrial and agricultural production. Although the *process* of recovery was rapid both in industrial and agricultural production, it was not as rapid as the increase in population, or the rise in home consumption, with the result that less goods could be earmarked for export than had been the case in 1909-1913. This is discernible even in the following summary figures:

<sup>1</sup> *Vneshniaya Torgovlia Sovetskogo Soiuza*, edited by D. D. Mishustin, Moscow, 1938, p. 88.

## Gross production of certain agricultural commodities

(mill. quintals)	1913	1922	1923	1924	1925	1926	1927
Grain	801.0	503.1	565.9	514.0	724.6	768.3	723.0
Flax fiber	5.1	3.2	2.3	3.0	3.7	3.3	2.3
Sugar beet	99.2	15.1	26.1	33.8	83.8	61.4	104.1
Cattle (mill.)	60.6 *	45.8	52.9	59.0	62.1	65.5	68.0
Pigs (mill.)	20.9 *	12.1	12.9	22.2	21.8	21.6	23.2

## Industrial production (in million rubles, 1926/27 prices)

	1913	1921	1922	1923	1924	1925	1926	1927
All large-scale industry	10251	1925	2512	3829	4470	7436	10276	12051
1. Production of means of production	4290	814	1090	1785	1959	3121	4304	5372
2. Production of consumption goods	5961	1111	1422	2044	2510	4315	5973	6673

## Population (in millions)

	Urban	Rural	Total
1913 †	24.7	114.6	139.3
1920	19.4	112.2	131.6
1926	26.3	120.7	147.0

\* For 1916.

† The data for 1913 refer to the territory of the USSR, not Tsarist Russia.

Throughout these years world trade was developing successfully and, on the whole, the marketing of Soviet exports met with little difficulty. The expansion of Soviet export trade was limited by domestic rather than foreign developments. Even in those cases in which Soviet trade agencies abroad met with difficulties in the marketing of some of their exports, the trouble was usually due to inadequate organization by certain departments in some of the Trade Delegations.

The conditions of import trade during the recovery period were very different. The slowness of its growth, and the low level attained in that period in comparison with 1909–1913, was not due to a decreased demand for foreign goods but to the impossibility of paying for the much needed imports. It is a well known fact that the Soviet Government repudiated the debts accumulated by Russia prior to the October Revolution, and therefore began its foreign trade turnover with a clean slate. From the outset, and up to 1923, there was an acute need for importing goods, but receipts from exports were so reduced at the time that the Soviet Government had to draw on its gold and foreign currency reserves to pay for a considerable part of its imports, small, in total volume, as

they were. The unfavorable balance of trade in the first five years of the Soviet regime is remarkable, particularly in view of the low level of the general trade turnover. In 1923 and 1924 a favorable balance of trade was at last achieved, but the new passive balance of 1925 far exceeded the total of the 1923 and 1924 favorable balances. In 1926 a favorable balance was again attained but this was offset by the unfavorable balance of 1927 (see table I).

Altogether, throughout the recovery period, a substantial part of imports had to be paid for in gold and by accumulating foreign short-term indebtedness. This debt accumulated because no long-term loans were granted to the Soviet Government in that period. Even common short-term credits were obtained with difficulty by Soviet exporters and importers. Export credits were limited to advances granted by buyers and brokers to Soviet organizations for the procurement of export goods and to short-term credits allowed by brokers and small foreign banks on goods in Soviet ports, in transit, or already in warehouses abroad. The only form of import credits granted to Soviet organizations was the acceptance of their bills of exchange by foreign suppliers of the USSR. Moreover, the cost of credits was high both absolutely and indirectly, i.e. firms increased the prices of goods sold on credit to the USSR. Although the economic blockade was by then a thing of the past, a "credit blockade" made itself felt throughout that period. Many big banks refused to discount Soviet bills of exchange, or imposed onerous conditions, while firms granting credits to Soviet importers sought to insure themselves against risks by an increase in their prices. The need for imports was so imperative, however, that Soviet trading organizations were compelled to agree to those onerous conditions, and the Soviet Government did not hesitate to face an unfavorable balance of trade and to make good on it by the export of bullion.

In the first two years of the N.E.P., the need for mass consumption goods was so urgent that even the import of consumer goods had to be paid for partly in gold; in fact, the import of consumers' goods exceeded that of producers' goods. After 1923/4, however, the relative share of producers' goods increased to 80 per cent of all imports. The import of mass consumed manufactured articles was reduced to its lowest levels, but raw materials for the manufacture of mass consumption goods (cotton, wool, hides, skins, and

leather) continued to be imported on a scale which was considerable for the period. There were years when the import of these goods exceeded in both absolute and relative value that of similar imports in 1909–1913. It was considered preferable, even during the recovery period, to import raw materials to be manufactured into finished articles rather than to import the actual finished goods. From 1924/25 the increase in the import of producers' goods became very marked, e.g. the import of instruments of precision in 1924/5–1926/7 exceeded that of 1913; the value of the nonferrous metals and products thereof, electrical equipment, tanning and dyeing materials imported in 1926/7 was also greater than the average for 1910–1913. But throughout the period the *total* import of producers' goods remained at a lower level than in 1909–1913; there were fewer imports of machinery, boilers, apparatus and parts, iron and steel goods, rubber in sheets and raw latex, chemical and pharmaceutical products (see figures, table VI). Imports of this character might be expected during a period of recovery when the producers' goods imported were mainly to restore production in plants inherited by the USSR from Tsarist Russia. New construction was still on a very limited scale (with the exception of electrification and the reconstruction of the heavy metal-lurgy of the Ukraine). Generally speaking, the receipts in foreign currency derived from exports were so small that part of the imports had to be paid for in gold. The result was that the import of mass consumption goods had to be curtailed as far as possible even while the import of producers' goods remained strictly limited. Such was the character of Soviet foreign trade toward the close of the recovery period in 1926/7.

The introduction of the Five-Year Plan for the reconstruction of the national economy marked a turning point. It is well known that the object of the first Five-Year Plan was to achieve new industrial construction on an unprecedented scale, to expand transport facilities and to equip agriculture with a very large number of tractors, combines, and other up-to-date agricultural machinery, as well as to raise the material and cultural standard of living of the population. The immense construction program was to be made practicable by the total mobilization and improved utilization of the country's material and labor resources. Moreover, a considerable annual expansion of the foreign trade turnover dur-



ing the five years covered by the plan, together with a substantial expansion of foreign credits, were envisaged in the main clauses of the approved draft of the Five-Year Plan.<sup>2</sup> It was proposed to expand Soviet exports substantially by increasing the export of agricultural commodities, of industrial raw materials, and, to a certain degree, of finished goods. It was also planned to achieve a favorable balance of trade, not necessarily every year but over the five years taken as a whole.

The actual developments in foreign trade during the five year period took a very different turn from that anticipated. The more decisive factors were as follows:

(a) A marked decline occurred in grain and livestock production, throughout the five years, instead of the planned annual increase in agricultural production:

	1926	1927	1928	1929	1930	1931	1932
Gross prod. of grain							
( <i>mill. quintals</i> )	768.3	723.6	733.2	717.4	835.5	694.8	698.7
Cattle ( <i>millions</i> )	65.5	68.0	70.5	67.1	52.5	47.9	40.7
Sheep and goats ( <i>mill.</i> )	123.1	139.7	146.7	147.0	108.8	77.7	52.1
Pigs ( <i>mill.</i> )	21.6	23.2	26.0	20.7	13.6	14.1	11.6

A detailed analysis of this decline would lead us beyond the scope of this study. It is sufficient here to know that the decline in agricultural production at a time when the country's urban and industrial population was rapidly increasing made it necessary to ration the principal agricultural commodities and reduce the volume of agricultural products planned for export.

(b) The introduction of the Five-Year Plan coincided with the onset of the world economic crisis and a sharp contraction in world trade. The capacity of the world market to absorb agricultural produce and industrial raw materials—the main items of Soviet export—decreased, and at the same time prices on such products fell sharply. As a result, each ton of Soviet goods exported yielded on the average far less foreign currency than hitherto. This decline in receipts per average ton exported is clearly shown by the figures in tables I, IV, V, relating to the total exports and to the

<sup>2</sup> It was planned to export by the end of the Five-Year Plan period, i.e. in 1932/33, goods to the value of 2 milliards of rubles (as against 1,520 million in 1913 and 780.2 million rubles in 1926/27), and to import goods to the value of 1,700 million rubles (as against 1,374 million in 1913 and 713.6 million in 1926/27).

principal classes of export goods in tons and in rubles. To some extent, Soviet export organizations had to sell goods already stored in warehouses abroad at particularly disadvantageous prices. In accordance with plans for expanding exports more goods had been conveyed to warehouses abroad, for direct sale, in 1929/30 than in previous years. Relying on the increased receipts expected from these goods, Soviet import organizations had placed large orders and much of the import was bought on short-term credit. In order to repay these short-term credits when they fell due it was necessary to sell in time the exported goods. But the decline in world trade increased even more the difficulties of marketing Soviet exports. The only solution was to sell the stocks accumulated in warehouses abroad at whatever prices they would bring. Some Soviet exports were sold, therefore, at what the foreign press of the day called "dumping prices," even though this alleged "dumping" was a forced disposal of stocks necessitated by a dire need for foreign currency to meet the maturing short-term import credits.

(c) Although it was possible to expand industrial exports, i.e. the export of raw materials used industrially (cf. tables II, V), the increase in receipts was less than the increase in the quantities exported because of the decline in prices.

(d) Imports could in no case be curtailed owing to the necessity for the construction of new industries, the reconstruction of the old, and the collectivization of agriculture which depended to a great extent on imports (e.g. there was an urgent need to import tractors and other complex agricultural machinery for servicing the thousands of newly formed collective and State farms). Figures in tables II and VI show that, in the first years of the Five-Year Plan, the import of production goods far exceeded the amounts imported in the recovery or in the 1909-1913 periods. But the shortage of foreign exchange made it necessary to limit the import of consumers' goods to that of foodstuffs not produced at all, or produced in very inadequate quantities, in the USSR (cocoa, coffee, tea, rice, herring, and so on).

(e) Instead of the favorable balance of trade, originally planned, the actual developments in export and import trade resulted in a persistently unfavorable balance throughout the period (1929 ex-

cepted). Moreover, invisible imports during the same period were also in excess of invisible exports so that in every year the balance of payments was even more adverse than the balance of trade.

(f) The hopes of a substantial influx of foreign long-term credits fell short of expectation. Private firms, it is true, granted considerable and fairly long-term credits backed in a number of countries by a State guarantee (namely in Germany, Great Britain, Austria, Italy, Latvia, Norway, Denmark, Sweden, Finland, Czechoslovakia, and Japan). It is, however, the opinion of Soviet economists who have studied the results of this financial aid from foreign countries that:

“(1) Despite the State guarantee, the credits granted were regarded by suppliers as credits from private firms, and this led inevitably to an increase in the prices of the goods supplied.

“(2) The guarantee covered only 60-75 per cent of the value, and the supplying firms insured against risks on the remainder by raising the prices on the goods supplied.

“(3) Most banks refused to discount the unguaranteed part of the credits; consequently some suppliers resorted to the black market and included the high black market rates of discount in the prices of the goods sold.

“(4) The actual form of credits from firms, i.e. the acceptance of long-term bills of exchange, made their discounting difficult since banks usually do not discount long-term credits.

“(5) The very system of guaranteed credits meant that guarantees were allotted to firms from a center, and this facilitated the formation of “blocs” among suppliers for the purpose of forcing up the prices on goods for the USSR. Government committees, which were often connected with big industrial concerns and leading industrial magnates, were in a position to refuse guarantees to firms keeping aloof from such “blocs” and willing to offer the Soviet organizations easier terms. By its very nature, the State guarantee given to private firms’ credits limited the freedom of action of Soviet agencies in the choice of firms, and prevented them from deriving any advantages from competition between accredited suppliers and outsiders while, at the same time, the difficulty encountered by firms in discounting the unguaranteed part of their outlay was not alleviated. All these circumstances

were reflected in the prices of import goods as well as in the actual cost of credit.”<sup>3</sup>

Yet, because of the unfavorable balance of trade, Soviet foreign trade organizations were forced to accept foreign credits in spite of the hard terms. As a result, the foreign indebtedness of the USSR increased yearly and reached its maximum in 1932 when the debt amounted to 1,400 million gold rubles as against 485 million gold rubles in 1928 (the gold ruble was then equivalent to 0.5146 U.S.A. gold dollars).<sup>4</sup>

The reaction of these factors on the development of the foreign trade turnover is clearly shown by the figures in tables I-VI.

Developments in the Soviet export trade during the period differed considerably from those in world export trade. From 1929 to 1933 world exports decreased continuously not merely in value but also in volume (cf. figures in the two last columns of table I) whereas, during the same years, the volume of Soviet exports rose above those of the previous period. Despite the general decline in prices, Soviet exports were, even in nominal value, 12 per cent greater in 1930 than in 1929; in 1932, when world trade at current prices was but 39 per cent of its 1929 gold value level, Soviet exports stood at 62 per cent of their 1929 gold value level and were as much as 127.8 per cent of their volume in 1929.

By clearly defining the aims set for export trade, and by adapting its organization, the USSR succeeded in exporting and selling abroad a good deal more agricultural and industrial commodities from 1929 to 1933 than in the preceding period, an increase

<sup>3</sup> A. Frey, A. Smirnov, T. Lopatin, I. Zhelezniakov, *The Financing of Foreign Trade*, Moscow, 1938, pp. 279-280. For data on State guarantees to credits granted in various countries, see *op. cit.*, pp. 267-278.

<sup>4</sup> Foreign Indebtedness of the USSR (*in millions of gold rubles*):

1st October 1924	156.20	1st October 1929	615.00
“ “ 1925	212.20	“ “ 1930	765.00
“ “ 1926	305.20	“ “ 1931	1205.00
“ “ 1927	391.00	30th December 1931	1400.00
“ “ 1928	485.00		

We do not quote figures on the balance of payments of the USSR during the period because Soviet economic sources afford no published data enabling us to establish such a balance; some writers have attempted to work out the balances of payments on the strength of indirect indices, but their calculations are probably not entirely reliable. Readers interested in the estimates will find relevant data collected and quoted in the article “The Balance of Payments of the USSR,” *Quarterly Bulletin of Soviet Russian Economics*, edited by Professor S. N. Prokopovich, Geneva, May 1941, No. 8.

achieved concurrently with a strict rationing of foodstuffs and mass consumption goods at home and in spite of the many difficulties to be overcome in marketing Soviet exports abroad. Some of the exported agricultural and industrial commodities included foodstuffs and other consumers' goods urgently needed for domestic consumption (cf. figures, of basic agricultural products and foodstuffs exported, in table IV).<sup>5</sup> Despite these measures the foreign exchange derived from the export of agricultural commodities was on the average below that of the last two years of the recovery period and the relative importance of agricultural exports in the total export trade of the USSR was smaller than in the preceding years (cf. figures in table II).

For 1930 and 1931, the years when Soviet exports reached their maximum, percentages of the total value of export, from the point of view of the foreign exchange brought in, were divided among the various commodities as follows:

	1930	1931
Grains	19.4	18.5
Oil and oil products	15.1	14.2
Timber and timber mill products	16.4	14.0
Furs	7.4	6.9
Cotton tissues	4.5	5.7
Sugar	2.6	4.2
Butter	1.0	3.0
Flax, tow, and swing tow	3.0	2.2
Tinned fish	2.6	1.9
Coal and anthracite	1.7	1.8
Oilcake	1.5	1.7
Chemical and pharmaceutical products	1.2	1.3
Manganese ore	1.3	1.2
Bladders, casings and sausage-skins	1.5	0.9
Tobacco and tobacco products	1.3	0.6

Other miscellaneous commodities accounted for less than 1 per cent each. In 1930 and 1931 the fifteen cited classes of goods accounted for 80.5 per cent and 78.1 per cent, respectively, of the entire Soviet export trade. It will be shown later that the same classes of goods continued to form the major part of Soviet exports in the following years although their relative importance changed some-

<sup>5</sup> E.g. the consumption of bread, sugar, butter, etc., was rationed; in 1931, 12.2 per cent of the entire wheat crop was exported as well as 22 per cent of the country's sugar and 37.7 per cent of its butter production. "The export of a number of industrial and agricultural commodities affected the interests of the internal market since it was carried out when demand for butter, flax, cotton fabrics, sawed timber and concrete could not be met." *Statisticheskoe Obozrenie*, No. 3, 1929, p. 77.

what after 1935. One point must be made, namely, the relatively high share of foodstuffs in the total export trade of this period (21 per cent of all exports in 1929, 31.6 per cent in 1930, 35.2 per cent in 1931 and 22.5 per cent in 1932).

It is important to stress again that the export of foodstuffs, at a time when the population of the USSR was strictly rationed, was necessary in order to obtain the foreign exchange needed to pay for imports. This explains the reduction in the export of foodstuffs in later years. The expansion of exports, and the high levels maintained in 1929–1932, were not the result of any corresponding increase in the exportable surpluses within the country (with the exception of some goods such as timber, oil, furs, manganese ore, coal, and asbestos). On the contrary it was an emergency measure carried out to the detriment of the home consumer and in the face of adverse marketing conditions on the world market. The pressing need for imports called for the mobilization of all available resources for export even those which under normal conditions would not otherwise have been drawn upon in any such quantities.<sup>6</sup>

During this same period imports attained the highest figures yet known to Soviet trade. They reached their peak in 1930–1931 when world trade was declining sharply. Soviet imports in 1930 were 120.2 per cent of their value, and 141.3 per cent of their volume, in 1929; at the same time the figures for world import trade were respectively 81.0 per cent and 93 per cent. In 1931, Soviet imports rose to 125.4 per cent of their value, and 161.5 per cent of their volume, as of 1929, while world imports were down to 57.9 per cent and 85.5 per cent respectively. So urgent was the need for imports to carry out the first Five-Year Plan for the development of the national economy that imports were expanded despite the impossibility of paying fully for them out of the receipts derived from export trade; a passive balance of trade was deliberately

<sup>6</sup> Later it was officially admitted that "we were compelled to carry out our export work (during that period, A.B.) under the stress of a daily need for foreign exchange and the necessity of finding funds to meet our obligations abroad, and to this aim we were often forced to subordinate our entire export work." *Vneshnyaya Torgovlya SSSR*, Nos. 21-22, 1935, p. 9.

Measures, such as "the earmarking in corresponding branches of industry of the best enterprises for export work" and the priority given to their claims for skilled labor and raw materials, were devoted to the same aim, that of mobilizing all available resources for export trade. Cf. the decree of the Supreme Economic Council, *Torgovo-Promyshlennaya Gazeta*, Nov. 12, 1929.

adopted and unfavorable terms of credit had to be accepted.<sup>7</sup> As a result of the urgent need for producers' goods to carry out the first Five-Year Plan, the import of producers' goods was increased, at the expense of consumers' goods, although home production was unable, throughout the period, to satisfy the demand for mass consumed agricultural and industrial commodities and the latter had to be severely rationed.

The classification of imports into producer and consumer goods is not identical in all Soviet publications. Figures in table II are taken from the Statistical Handbook published by the Scientific-Research Institute of Foreign Trade of the USSR; imports for the years under discussion are not all covered by these two main groups, e.g. livestock is not included in either group. It seems necessary therefore to quote, in addition to the figures in table II, the following data on the import of consumers' goods from the authoritative account of a recognized specialist in Soviet foreign trade.<sup>8</sup>

<sup>7</sup> The following appraisal of the import work of that period was given in an official publication, "An overwhelming majority of foreign firms sold their goods to the USSR at exorbitant prices. For a long time one of the most important factors raising the cost of our imports was the cost of credits granted to us by our suppliers, and which we had to accept because of our unfavorable balance of trade. . . . Soviet bills of exchange were often discounted by these firms at excessive, usurious discount rates, which reached 30-40% on the black market. The expenses incurred in the discount of bills of exchange on the black market, needless to say, were charged to us by increasing prices on our orders which were eventually paid by us. Another factor which increased the cost of our transactions with foreign firms were the various intermediaries. Many firms, misinformed as to our methods of work resorted to various disreputable middlemen who alleged that they had 'connections' in Trade Delegations and could influence the placing of orders with certain firms. The commission paid to these agents was then naturally included in the prices fixed by the firm and eventually paid by us. Frequent and confusing changes in the operational staffs of our Trade Delegations also cost us no mean sums. We know that often representatives of foreign firms dealing with a budding official of the Trade Delegation suddenly 'forgot' any already existing prices and terms of credit, and fixed new ones, needless to say, not to our advantage. Cases occurred, too, when a firm would take advantage of the lack of coordination in our system and offer different import corporations different conditions for similar orders. Frequently a firm, aware of the extreme and urgent need for some particular equipment, would raise its price on that article. Often the requirements in spare parts were overlooked in the placing of orders; and here was a golden opportunity for the supplier—if no definite prices for spares had been agreed upon—to demand not merely 'Russian' but 'arch-Russian' prices. Cases have come to our knowledge when firms negotiating a contract agreed to a rebate on the price of capital equipment knowing that in time they would reimburse themselves in supplying the spare parts." *Vneshnyaya Torgovlya SSSR*, No. 11, 1935.

<sup>8</sup> D. D. Mishustin, *Vneshnyaya Torgovlya i Industrializatsiya SSSR*, Moscow, 1938, p. 44.

IMPORT OF CONSUMERS' GOODS  
(in million rubles)

	<i>Current prices</i>	<i>1929 prices</i>
1929	512.5	512.5
1930	569.8	709.6
1931	328.9	530.0
1932	334.2	692.0

Livestock, which was imported during the period on a considerable scale, is included in these figures of consumers' goods; this explains why the quoted figures for consumers' goods are higher than those in table VI. Taking account of the marked decline in prices on basic consumers' goods, the conclusion is reached that the volume of consumers' goods imported was not inferior during the period 1929–1932 to that imported during the previous period. However, even allowing for such corrections in the amount of consumers' goods imported, the fact remains that, during the period, practically 90 per cent of all imports were made up of producers' goods. Since the import of means of production was to accelerate the already rapid expansion of productive capacities within the country, imports consisted first and foremost of equipment for industry, agriculture, and transport, and secondly of industrial raw materials. Imports of machinery, boilers, apparatus, and parts, rose from 446.8 million rubles in 1926/27 to 1,544.4 million rubles in 1931, and the relative share of equipment rose from 14.3 per cent of all imports in 1926/27 to 31.9 per cent in 1931. (In 1931–1932, i.e. in the closing years of the first Five-Year Plan, one third of all imports was made up of industrial equipment.) Second only in importance were iron and steel goods which increased from 197.4 million rubles in 1926/27 to 997.8 million rubles; from 6.3 per cent to 20.6 per cent of total imports. Imports for the light industry (wool, cotton, hides, skins and leather, tans and dyes) came third; nonferrous metals, electrical equipment, rubber in sheets and raw latex, motor cars, motorcycles, bicycles and their parts, precision instruments, chemical and pharmaceutical products were next, while foodstuffs and finished articles of mass consumption came last (cf. corresponding figures in table VI).

The emphasis on the import of means of production, rather than on mass consumption goods, contained the possibility of a future reduction in the general volume of imports through the reduction of imports of producers' goods. Development in export



and import trade, and the state of the balance of payments, did, in fact, call for measures to reduce imports as rapidly as the general expansion of industrial production would permit. By the end of 1931 urgent measures were undertaken to reduce the import of articles the manufacture of which was already possible or could be expanded within the USSR. Early in 1932, the People's Commissariat of Heavy Industry was instructed "to stop and to prohibit henceforth the import of the following kinds of equipment for which orders to the value of 21 million gold rubles were to be placed in the course of the next fortnight within the country: transformers, all types of trucks and railway engines, motor vehicles, apparatus for the production of oxygen, cranes (bridge, railway, etc.), internal combustion engines, generators and spares for any equipment already imported."<sup>9</sup> As shown by the figures in table VI a sharp reduction in imports began in 1932.

According to Soviet economists exports and imports decreased because: (a) The creation of new productive capacities within the country under the first Five-Year Plan made it possible to produce at home equipment which had hitherto been imported. The manufacturing industries were developing faster than the extracting industries so that raw materials previously exported were now required for the new industries. (b) The pressing need to export in order to pay for imports came to an end when the necessity of importing industrial equipment, complex agricultural machinery (tractors and combines) and rolling stock was overcome by new or expanding production at home. More agricultural and industrial commodities previously exported could be made available to the population. Beginning in 1932 preparatory steps were taken to liquidate the rationing system. (c) The accumulated foreign debt of the USSR had to be faced and, in order to eliminate the need of costly short-term credits, imports had to be curtailed even more drastically than exports, and a favorable balance of trade achieved systematically every year.

From 1932 onwards a marked decrease in the foreign trade turnover of the USSR is apparent against the background of a rapidly increasing industrial and agricultural production. This is shown by the following figures:

<sup>9</sup> A more detailed list of equipment no longer to be imported will be found in *Za industrializatsiu*, Feb. 26, 1932.

	1928	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938
Gross output of large-scale industry (million rubles 1926/7 value)	15.8	19.9	25.8	32.2	36.8	40.7	47.6	66.8	85.8	95.5	106.1
Engineering and metal industries (million rubles 1926/7 value)	2.14	3.05	4.97	7.55	9.41	10.82	13.61	17.81	24.70	27.52	33.61
Electric power (million kilowatt hours)	5.0	6.2	8.4	10.7	13.5	16.4	21.0	26.3	33.0	36.4	39.6
Coal (mill. tons)	35.5	40.1	47.8	56.7	64.7	76.2	93.9	108.9	126.0	127.9	132.9
Oil (mill. tons)	11.7	13.8	18.9	23.2	22.3	22.5	25.6	26.8	29.2	30.5	32.2
Steel (mill. tons)	4.3	4.9	5.8	5.6	5.9	6.9	9.7	12.6	16.3	17.7	18.0
Cotton textiles (mill. meters)	2742	3068	2351	2242	2417	2422	2438	2663	3257	3447	3491
Woollen textiles (mill. meters)	93.2	100.6	114.5	107.9	88.7	86.1	77.9	80.8	98.1	108.3	114.0
Leather shoes (mill. pairs)	29.6	48.8	75.4	86.7	84.7	80.3	75.5	104.3	139.9	164.2	213.0
Raw sugar (thousand tons)	1283	823	1507	1486	827	995	1403	2032	1999	2421	2519
Gross output of agriculture (million rubles 1926/7 values)	14.0	14.7	14.0	13.9	13.1	14.0	14.8	16.1	15.8	19.7	20.1
Gross yields of crops (million quintals)	733.2	717.4	835.4	694.8	698.7	898.0	894.0	901.0	827.3	1202.9	949.9
Number of cattle (mill. heads)	70.5	67.1	52.5	47.9	40.7	38.4	42.4	49.2	56.7	57.0	63.2
Number of pigs (mill. heads)	26.0	20.7	13.6	14.4	11.6	12.1	17.4	22.5	30.5	22.8	30.6
Number of sheep and goats (mill. heads)	146.7	147.0	108.8	77.7	52.1	50.2	51.9	61.1	73.7	81.3	102.5

Meanwhile the conditions in the world market had become somewhat more favorable to Soviet foreign trade; later the USSR was granted long-term credits on better terms.<sup>10</sup>

In analyzing the development of Soviet foreign trade during the first Five-Year Plan period, it has been pointed out that the Soviet foreign trade turnover increased, in spite of the steadily worsening conditions which Soviet exports met on the world market together with the need to ration the internal consumption of the main agricultural and industrial commodities. When the first Five-Year Plan period came to an end trends in the world market were becoming more favorable to Soviet export and import trade while domestic production was increasing; yet the foreign trade turnover of the USSR declined as the second Five-Year Plan was developed. The reduction in imports was even greater than that in exports, and between 1935 and 1938 a substantial positive balance of trade was annually achieved. In 1935 the balance of payments first became favorable and, by 1936, short-term credit indebtedness was cut down to only 86 million rubles. Exports were reduced from 21,778,900 tons in 1931 to 9,682,300 tons in 1938, i.e. by 55.5 per cent in weight, while receipts from exports fell from 3,553,100 rubles in 1931 to 1,331,900 rubles in 1938, a reduction of 62 per cent. As shown by the figures in table III, it was the export of foodstuffs which was most drastically curtailed; that of raw materials and semi-manufactured goods was cut to a lesser extent, while the export of finished goods showed little change. The greatest cut in the export of foodstuffs was in grain, particularly in 1934 and 1936, when crops were poor. Up to 1937 the export of butter and vegetable oils, sugar, bacon, and other more valuable agricultural products was curtailed to a lesser extent than the export of grain (cf. figures in table IV), so that Soviet exporting organizations, in the general reduction of exports, reduced chiefly the export of the less valuable products and to a lesser extent the export of the more valuable goods.

As regards industrial commodities, a sharp and systematic reduc-

<sup>10</sup> An agreement was concluded in 1933 between the Trade Delegation to Germany and a consortium of German banks for a 14 months' credit of 140 million marks; another German credit was granted in 1935 for 200 million marks for five years; in 1935 there was a credit of 250 million Czech kronen for 5 years from Czechoslovakia; and in 1936 ten million pounds for 5 years from Great Britain.

tion was made in the export of oil and oil products, from 6,106,000 tons in 1932 to 1,388,000 tons in 1938, at a time when production rose from 22.3 million tons to 32.2 million tons. It was evidently thought preferable, despite the considerable growth in production, to allocate smaller amounts of crude oil and oil products to export trade than hitherto. However, the export of timber and lumber mill products, which came second in importance to that of oil, remained, up to 1937, at its maximum level of 1930–1931. In the case of timber the causes preventing the lack of expansion in exports lay not in the growing demands of consumption at home but in the limited capacity of foreign markets to absorb timber and in the slow development of the industry, and of transport facilities, at home. Similarly the decrease in the export of furs—third in importance among Soviet industrial exports<sup>11</sup>—was mainly due to difficulties in marketing and the world-wide fall in prices on many kinds of the furs exported from the USSR. The sharp decline in prices on the world market was also responsible for the fall in receipts from the export of cotton tissues of which the average volume exported in 1933–1938 was greater than in 1929–1932. The export of flax, tow, and swing tow, chemical and pharmaceutical preparations was curtailed less drastically (cf. figures in table V). At the same time the export of numerous other products, in particular that of iron, steel, and their manufactured products,<sup>12</sup> machinery and equipment, coal and anthracite, fertilizers and concrete, was expanded.

Generally speaking the export of all the main classes of agricultural commodities was curtailed but changes in the export of industrial commodities were more complex, some being expanded and others curtailed. Relative to the total, industrial exports were greater on the whole in the second Five-Year Plan period than in the first. The creation of new industries with the substantial expansion of industrial production under the first Five-Year Plan, and to a greater extent under the second, made it possible to reduce the import of equipment for industry, transport, and agri-

<sup>11</sup> Strictly speaking furs are not an industrial commodity at all, and some Soviet sources place them more correctly in the class of products of the trapping industry, but in recent years furs are often included among industrial exports because of the increasing relative share of dressed skins and finished articles.

<sup>12</sup> A substantial export of pig iron in 1934, 1935, and 1936 accounts for the high figure for this class of exports. Unfortunately, it has not been possible to establish what determined this increase in the export of pig iron.

culture and to decrease the export of certain raw materials; the export of certain other raw materials and industrial articles was expanded. In explanation, Soviet publications on foreign trade insist that the USSR was now in a position to export many industrial commodities which were imported before the completion of the first Five-Year Plan. This is shown by the following figures:

	IMPORTS *			EXPORTS *		
	(in thousand rubles)					
	1909/13	1929	1934	1935	1936	1937
Agr. machines	177390	254359	1743	2120	2907	3753
Motor vehicles and parts	42556	54268	6066	8230	11908	27003
Tractors	...	120953	105	153	328	1051
Textile machinery	9697	45956	3517	8361	857	4347
Sewing machines	37730	4020	1576	1357	1213	1901
Electric lamps	13534	556	915	806	558	439
Pig iron	3841	665	5050	16017	24403	16260
Coal	189982	2627	43292	42564	42799	30950
Asbestos	1248	1025	14222	9732	9118	9143
Concrete	9075	162	3451	6399	5818	4865
Fertilizers	31098	50037	22618	19241	23585	28997
Salt	5501	...	2395	2492	2622	2836
Furs, dressed	26280	...	62669	63247	51996	47310
Magnesite	989	.	1156	1883	323	475
Tanning extracts	29122	262	788	...	41	210
Balsam and turpentine	2076	100	5632	5159	4071	2371
Coke and briquettes	28378	8	722	1594	1453	829
Soap	5501	...	2395	2492	2622	2836
Paraffin	6298	451	6197	6097	5286	3258

\* D. D. Mishustin, *Vneshnyaya Torgovlya i Industrializatsiya SSSR*, Moscow, 1938, pp. 120-121.

According to this author, the above 19 commodities are no longer included in the list of Soviet imports. Their relative share in Soviet export trade rose from 10% in 1934 to 12% in 1935, and were as much as 14% in 1936.

It would be a mistake to exaggerate the importance of this change from import to export of the same goods. In the latter years the receipts from all these new items of industrial export amounted to less than was brought in by any one of the four major commodities (grain, timber and timber mill products, oil and oil products, and furs) of the Soviet export trade in 1930-1931. Moreover, the considerable decline in the receipts from the export of these main groups was on the whole responsible for the marked decrease in the general revenue from Soviet exports. The reduction in the export of many other goods was considerably smaller and there was even an increase in the export of some. Prospect of

increasing the general export revenue still hinges on developments in the export of the main, traditional, classes of agricultural and industrial commodities sent out from the USSR. (For data on the relative share of various groups of Soviet exports in the total revenue from export trade, see tables IV and V.)

It is probable that the reduction of imports effected in the 1932–1935 period was due to considerations of foreign exchange rather than to the possibility of replacing imports by domestic production. The newly created productive capacities could hardly justify a reduction of imports to less than one quarter of their value in 1931; moreover, in 1936–1938, imports were again increased (cf. figures in table I). The drastic decline in imports in 1933–1935 was undoubtedly a consequence of the need to repay the indebtedness arising from the short-term foreign credits which had been accumulating in the previous period. From 1935 on, when a favorable balance of payments was achieved and the short-term debt reduced to a comparatively small figure, imports were again allowed to rise even to the extent of resulting in an unfavorable balance of trade in 1938; yet domestic industrial and agricultural production was considerably greater in 1936–1938 than in 1933–1935. That the decline of imports was influenced by considerations of foreign exchange is attested, moreover, by the character of the reduction. The import of both consumption and production goods was curtailed in 1933–1935 while, in 1938, the imports of each were again increased (cf. figures in table II). In fact, the greatest reduction was made in the import of finished articles (in 1934, when imports were at their lowest, the import of finished goods was only 13.4 per cent of the figure for 1931 when imports were at their highest); a lesser reduction was made in the import of raw materials and semi-manufactured goods (1934 imports were here 42.6 per cent of 1931), foodstuffs (1934 imports being 46.5 per cent of 1931) and live animals (1934 imports being 41.4 per cent of 1931). However, even in the years when imports were at their lowest, industrial equipment and raw materials for heavy industry, e.g. machinery, boilers, apparatus and parts, iron and steel goods, nonferrous metals and manufactured products, as well as electrical equipment (cf. figures in table V for the basic groups of imported goods), accounted for the greater part. At the same time Soviet sources stress that the composition of the producers' goods

imported changed considerably in the years following the first Five-Year Plan and, in particular, in the years immediately preceding World War II. Machines, lathes, turbines, boilers and other equipment, which were imported on a large scale in the first Five-Year period, were later manufactured in sufficient quantities by Soviet works and factories. In later years the USSR imported mainly the newest, most complex, and highly specialized automatic and semi-automatic machinery for the heavy industry. It is pointed out for instance that the relative share of imported lathes in 1935 was only 14 per cent of all new lathes put into production that year whereas, in 1932, 66 per cent had to be imported; by 1937, 90 per cent of the country's requirements in lathes were met by home production.<sup>13</sup>

The import of agricultural machinery (particularly tractors), which had accounted for a large share in the import of machines under the first Five-Year Plan, practically came to an end in 1934 and was replaced by domestic production. The import of motor vehicles (mainly lorries), which figured so prominently in the import of means of transport during the first Five-Year Plan,

<sup>13</sup> D. D. Mishustin, *Vneshniaya Torgovlya i Industrializatsiya SSSR*, Moscow, 1938, p. 151.

The following information is adduced for machinery and power station equipment

PRODUCTION AND IMPORT OF MACHINES				
	Production		Import	
	1926/7 prices	1929 = 100	In current prices, at the pre-1935 rate of exchange	1929 = 100
1929	2283	100	254	100.0
1930	3647	176	471	181.5
1931	6077	294	563	221.6
1932	7628	369	376	148.0
1933	8908	433	144	56.7
1934	9686	468	57	22.4
1935	12659 (plan)	612	55	21.6

(D. D. Mishustin, *op. cit.*, p. 59.)

Soviet and imported power station installations gone into production  
(in per cent of capacity)

	1930	1933	1938
Turbines, total	100.0	100.0	100.0
of which: made in USSR	10.7	41.2	80.4
imported	89.3	58.8	19.6
Generators, total	100.0	100.0	100.0
of which: made in USSR	11.6	94.1	100.0
imported	88.4	5.9	...

(*Sotsialisticheskoe Stroitelstvo SSSR*, 1933-1938, Moscow, 1939, p. 43.)

was drastically curtailed (motor vehicles were imported to the value of 63 million rubles in 1930 and to only 1.9 million rubles in 1935) and were also replaced by home manufacture; by 1937, the USSR was even exporting cars and lorries to Turkey, Western China, Mongolia, Tuva, and Iran. In general, the productive capacities created within the country made it possible greatly to reduce the import of equipment for industry, agriculture, and transport, and to replace imported by home produced goods.

Another change in the composition of Soviet imports in the latter years is significant as compared with that of the first Five-Year Plan period, namely, the decline in the relative share of manufactured goods and the growing share of raw materials in the total import trade. Up to 1933, the import of manufactured goods (mostly means of production) was far greater than that of raw materials; from 1934 onward the difference between the two groups becomes less marked, while by 1937 more raw materials than manufactured goods were imported (cf. figures in table III). Moreover, the relative share of consumers' goods was on the increase as compared with that of producers' goods. In the import of raw materials, nonferrous metals head the list (in 1937-1938 more nonferrous metals were imported than in 1930-1931); wool, cotton, rubber, hides, skins, and leather, as well as chemicals, come next in importance. The growth of Soviet manufacturing industry caused a curtailment of the export of primary products and necessitated the import of raw materials of which the USSR was short. At the same time, however, the home production of industrial raw materials was also expanding with the result that the relative share of imported raw materials to total consumption was on the decrease.<sup>14</sup> There is, therefore, no exaggeration in the assertion of

<sup>14</sup> (thousand tons)	1930	1931	1932	1933	1934	1935
Copper: production	44.8	45.8	36.6	45.4	53.6	75.4
import	21.5	27.6	12.7	8.1	11.6	32.2
Zinc: production	4.3	9.0	13.7	16.6	27.1	...
import	40.0	23.7	10.6	5.8	4.3	1.5
Lead: production	11.1	15.5	18.7	13.7	27.2	...
import	50.2	41.9	33.8	16.4	18.7	31.1
Aluminum: production	...	...	0.9	4.4	14.4	25.0
import	10.0	20.4	13.0	12.8	5.1	0.6
Rubber: production	...	...	...	2.7	11.0	25.0
import	16.4	28.2	30.7	37.2	48.0	38.2
Cotton: production	262.4	301.8	386.3	394.8	381.0	529.0
import	57.9	53.7	24.3	22.6	24.9	44.2



Soviet economists that the *necessity* to import equipment and raw materials for the development of Soviet industry was on the wane. The completion of the two first Five-Year Plans enabled the country to expand its industrial production by utilizing more and more of its own potentialities and depending less and less on the import of equipment or that of essential raw materials.

However, in the last pre-war years the output of the main industrial goods and, in particular, of consumer goods per capita, was much lower in the USSR than in other industrial countries, as is shown by the following figures:

#### PRODUCTION PER CAPITA

(Data for the USSR refer to 1937, for other countries "to the latest published data") \*

	USSR	U.S.A.	GERMANY	GR. BRITAIN	FRANCE	JAPAN
Electricity, KW-hours	215	1160	735	608	490	421
Pig iron, kg.	86	999	234	103	189	30
Steel, kg.	105	397	291	279	188	62
Coal, kg.	757	3429	3313	5165	1065	643
Concrete, kg.	32	156	173	154	86	60
Cotton fabrics (m. sq.)	16	58	no data	60	31	57
Woolen fabrics (m.)	0.6	2.8	no data	7.4	no data	no data
Leather footwear (pairs)	1.0	2.6	1.1	2.2	no data	no data
Paper, kg.	5	48	42	42	23	8
Sugar, kg.	14	12	29	8	21	17
Soap, kg.	3	12	7	11	10	no data

\* *Sotsialisticheskoe Stroitelstvo SSSR* (1933-1938), p. 26.

Soviet industrial production per capita and, in particular, the output of consumer goods was far below that of the highly industrialized countries. To a certain extent the reduction in the import of production goods under the second Five-Year Plan and in the following years was due to the creation of domestic industrial capacities, but the low level of the import of mass consumer goods was dictated entirely by considerations of foreign exchange. In the last pre-war years, despite the considerable growth of its domestic production, the USSR was in need of many more imports than it could afford because of the limited possibilities of export trade and foreign credit. Had it been possible to increase exports, or to obtain regular long-term foreign credits, it can be assumed that Soviet import, particularly the import of consumer goods, would have been on a far larger scale than in 1933-1938.

## CHAPTER V

### SOVIET TRADE WITH THE MORE IMPORTANT FOREIGN COUNTRIES

**I**N 1913 the export trade of Tsarist Russia accounted for some 4.2 per cent of world export trade. The export trade of the USSR, even at its peak in 1930, 1931, and 1932, represented only 2 per cent, 2.2 per cent and 2.3 per cent respectively of world export trade, while in 1925–1928 it was down to 1.1–1.3 per cent and had again fallen to 1.3 per cent in 1936–1937. The share of the USSR in world import trade was likewise small. Russia's imports in 1913 accounted for 3.6 per cent of world imports; those of the USSR in 1925–1928 for 1.1–1.4 per cent. In 1931, the peak year, they reached 2.7 per cent (2.6 per cent in 1932); in 1934 and 1935 they again dropped to 1 per cent and in 1937 to 0.9 per cent. It is clear, therefore, that the USSR could not materially influence developments in the world market; on the contrary, it must reckon with their consequences. In the case of some exports (manganese, furs, flax, timber, and, to a lesser degree, grain) and in some imports (industrial equipment and agricultural machinery, particularly in 1929–1932), its role was relatively more important than in the total world trade turnover. Still, the over-all influence was slight and its own export and import plans were subject to existing trends.

The principal consideration which influenced the planning and development of the trade relations of the USSR with other countries were (a) opportunities of marketing Soviet exports; (b) satisfactory conditions granted to Soviet import orders both from the point of view of the technical and material quality of the goods and that of credit; (c) general political and commercial relations of the particular country with the USSR.

A deterioration in political relations with a country, or the introduction by that country of discriminatory measures against Soviet exports, resulted in corresponding counter-measures being taken by the USSR both as regards the export and import trade

with the given country.<sup>1</sup> Conversely, credits, or commercial and technical facilities granted to Soviet export and import orders, raised the mutual goods turnover.

It may seem commonplace and even superfluous to insist upon the connection between the political and commercial relations with particular countries and their trade turnover with the USSR since such conditions are bound to influence trade between any two countries. The point needs stressing, however, because the existence of a monopoly of foreign trade and the working of its machinery enable Soviet trade organizations to adjust rapidly and effectively to changes in general political, commercial, and technical conditions without altering the general outlines of the trade or tariff agreements between the USSR and a particular country. In export trade, the switching over of exports from one country to another often met with difficulties but import orders could be manipulated with considerable freedom. The nature of Soviet exports determined the countries where they could be sold. Certain countries were traditional markets for the *basic* commodities exported by Soviet agriculture and industry, e.g. *wheat* was mainly exported to Great Britain, Germany, Italy, Greece, Turkey, France, Norway, and Holland; *rye* went chiefly to Great Britain, Norway, Germany, Holland, Finland, Denmark, Latvia and Estonia; *sawed timber* was exported to Great Britain, Germany, Holland, Belgium, France, Italy, and, occasionally, to the United States and the Union of South Africa; other *timber products* went to Great Britain, Germany, Holland, Latvia, France, and considerable amounts of timber products were also bought by Japan. By far

<sup>1</sup> E.g. the notorious Arcos raid of 1927, followed by the breaking off of Anglo-Soviet relations and their restoration in 1929, had the following repercussion on the trade turnover between the USSR and Great Britain:

	1926/27	1927/28	1929
	(millions of rubles)		
Exports from the USSR to Great Britain	888.3	677.5	887.2
Imports to the USSR from Great Britain	442.8	208.1	239.8

During the world-wide press campaign of 1930 against Soviet "dumping" and the use of "forced labor," the Government of the USSR decreed (Oct. 20, 1930) that the purchase of goods, the use of shipping, and of other commercial services in countries which had introduced special restrictions against Soviet trade, should be stopped or reduced to a minimum.

In 1935, when several countries, in particular Germany, resorted to exchange restrictions, the USSR Sovnarkom decreed (Jan. 16, 1936) a reduction of exports to countries where free currency was difficult to obtain and the allocation of export and import orders to countries where no monetary restrictions were in force.

the largest quantities of *furs* were exported to Germany, Great Britain, France and the United States. Up to 1930, substantial quantities of furs were exported to Latvia for re-export but, in later years, this was drastically cut because Soviet export organizations adopted the policy of establishing direct relations with the consumers of Soviet exports and also because the share of dressed furs had increased. For the same reasons Germany, after 1935, lost its importance as one of the chief markets of the Soviet fur trade. *Oil and oil products* were exported mainly to Great Britain, France, Germany, Italy, Belgium, Spain, and to certain eastern countries. Most of the *manganese ore* exported went to the United States, France, Belgium, Germany, Holland, and Italy.

To sum up, basic agricultural and timber products and industrial raw materials were exported mainly to the industrial countries of Europe, while finished goods went to the East.<sup>2</sup> In later years the range of Soviet exports was more varied than in the days of Tsarist Russia or during the recovery period, and Soviet industrial goods begin to find their way to European and overseas countries, but the traditional groups of agricultural and timber products, and of raw materials used industrially, continued to account for the major part of Soviet export trade. This concentration on a limited number of traditionally exported commodities made Soviet exports much less varied than those of the industrialized countries of Europe and they were therefore less widely distributed throughout the world.

In Tsarist Russia more than 80 per cent of the exports went to the principal European countries, only 8.7 per cent to the Eastern countries, and barely 0.1 per cent to the United States, Australia, and Japan (see table, p. 68). During the recovery period, again, some 80 per cent of the goods exported by the USSR were sold in the principal European markets although the importance of the export trade with the Eastern and Overseas countries was increasing. In the years covered by the first Five-Year Plan the share of the principal European markets slightly decreased while that of

<sup>2</sup> Most important among the finished goods exported by the USSR to the East were cotton fabrics, iron and steel, and articles made therefrom; the countries which imported them were: Iran, China, Mongolia, Afghanistan, Tuva, and Turkey. In later years the growing range of new varieties of iron and steel articles made it possible for them to be sold even in Germany, Belgium, Switzerland, the United States, and other countries, but, as already stated, these new items represented only a small fraction of the Soviet export trade.

the Eastern countries rose a little. (In 1929–1932 about three-quarters of the Soviet exports were marketed in the sixteen major European countries and about 15 per cent in the Eastern countries.) In the years following the first Five-Year Plan period, the importance of the main European countries once more declined slightly, but between 1933–1938 they took on the average some 65 per cent of the Soviet exports, while the share of the Eastern countries continued to average 15 per cent, and the share of overseas countries and of the smaller European states went up. These shifts in the distribution of Soviet exports between European, Eastern, and overseas markets reflected the general trends and structural changes in the development of the Soviet export trade. The declining importance of the principal European markets is attributable first and foremost to the fact that the USSR was exporting less agricultural products than Tsarist Russia and to a further reduction in the total export of these commodities between 1933–1938. The increasing importance of Eastern markets was due to the growing export to these countries of finished industrial articles.

The organization of trade with the Eastern countries differed from that with other countries. Only a brief outline of the main differences is given here.<sup>3</sup> In the first agreements concluded between the USSR and the Eastern countries the principle of complete equality of the contracting parties was stressed and so was the renunciation of any special rights and privileges usually stipulated in treaties concluded between a European and an Eastern country. Moreover, during the N.E.P. period, the Soviet Government granted certain facilities to Eastern trade, such as tax relief to Eastern merchants trading in the territory of the USSR, favorable tariffs, the right to export certain goods without license, reduced rates for export and import goods in transit through the USSR, and other commercial and technical preferences. Later, from 1926/27 onwards, the USSR agreed to trade with some Eastern countries on the principle of balancing of export and import trade. In the treaty with Turkey of 1937, this principle was extended to the whole balance of payments; that this principle was

<sup>3</sup> For further details, the reader is referred to *Trade Relations of the USSR and the Eastern Countries*, Scientific-Research Institute of the Monopoly of Foreign Trade, Moscow, 1938.

RELATIVE SHARE (IN PER CENT) OF VARIOUS COUNTRIES IN THE EXPORT AND IMPORT TRADE OF THE USSR

	1913	1924/5	1925/6	1926/7	1927/8	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938
<b>16 European countries*</b>															
(a) export	81.9	78.6	78.1	80.5	72.6	73.5	72.9	7.29	67.0	65.5	65.8	66.6	64.5	66.1	63.6
(b) import	74.1	47.9	58.6	50.0	44.5	44.4	49.5	60.0	73.9	70.6	61.4	53.9	58.2	49.2	42.8
<b>Eastern countries†</b>															
(a) export	8.7	9.1	11.3	10.8	16.4	14.0	13.6	14.9	20.0	17.1	18.8	13.3	14.2	14.5	16.1
(b) import	11.1	10.7	12.1	13.2	15.0	15.1	10.9	8.4	15.2	17.0	22.4	19.0	15.2	15.4	14.8
<b>U.S.A., Japan and Australia</b>															
(a) export	0.1	7.4	6.4	5.3	5.7	6.7	5.5	5.2	4.8	4.6	4.8	8.7	11.6	8.5	7.8
(b) import	6.2	10.3	18.7	18.9	23.6	23.0	27.7	24.8	6.0	6.9	11.2	18.6	21.9	26.5	33.3

\* See table VII.

† I.e. Iran, Mongolian Republic, China, Tuva, Afghanistan, and Turkey.

not strictly observed can be seen from the figures in table VII.

From the commercial point of view the significance of the Eastern markets in the Soviet trade turnover was very different from that of the European markets. In the European markets the USSR sold its agricultural products and industrial raw materials and bought finished articles and some raw materials; in the Eastern markets it bought the primary products of agriculture and livestock breeding and sold the finished goods of its industry.<sup>4</sup> In view of these differences, the organization of the goods turnover between the USSR and the Eastern countries was on a different basis from that which determined the organization of Soviet trade with Europe. Soviet industry had no competition to fear from the Eastern countries so that the monopoly of foreign trade could be modified. During the N.E.P. period, trade with the East was carried out by (a) Eastern merchants allowed to trade in the territory of the USSR, and (b) mixed companies (i.e. companies whose capital was partly owned by Eastern merchants and partly by the Soviet State). The Moscow, Baku, and Odessa commodity exchanges acted as intermediaries between the Eastern merchants and the Soviet economic organizations. Considerable business was also carried on at the annual fairs of Baku and Nizhny-Novgorod (Gorky). Trade carried on in the territory of the Eastern countries was transacted by (a) mixed companies and (b) the Trade Delegation of the USSR and special Soviet economic organizations which dealt in certain goods in Eastern markets.

The centralization brought about by the reform of the Soviet foreign trade machinery in 1930 also affected its Eastern trade. A special All-Union corporation, the *Vostgostorg*, was formed and granted the monopoly of Soviet trade with the Eastern countries. This was subdivided in 1931 into three All-Union corporations—the *Sovmongtvtorg* (to trade with Mongolia and Tuva), the *Sovsintorg* (to trade with Sinkiang) and the *Sovafgantorg* (to trade with Afghanistan). Up to 1937, trade with Iran and Turkey was carried out by the same specialized monopolistic corporation which

<sup>4</sup> The USSR imported from the East: rice, dried fruit, wool, cotton, live animals, hides, other products of livestock breeding, furs, raw silk, and similar non-industrial commodities. It exported to the East: cotton and linen materials, thread, sugar, paper, galoshes, oil products, iron, steel and agricultural machinery; after the completion of the Five-Year Plan it also exported machinery and equipment for industrial plants, electrical appliances, chemical and pharmaceutical products, and various other finished industrial articles.

traded with the European countries; in 1937, however, a special monopolistic corporation, the *Soviranturktorg*, was formed to carry on this trade.

Trade with the Eastern countries is planned, controlled, and directed by the Eastern Department of the People's Commissariat of Foreign Trade. The Trade Delegations accredited to Turkey and Iran alone in the East take a direct part in trade activities; the others (in Mongolia, Tanna-Tuva, Afghanistan and the Trade Agency in Sinkiang) have jurisdiction only over the Soviet trade organization. Trading operations are actually carried out by the four monopolistic trade corporations—the *Sovmongtutvorg*, the *Sovsintorg*, the *Sovafgantorg*, and the *Soviranturktorg*, which effect both export and import transactions (except the *Sovmongtutvorg* which deals only with export operations). Import from Mongolia and Tuva as well as the import of certain goods from other Eastern countries is carried out by special monopolistic corporations trading in these articles. In the case of Eastern countries the principle adopted since 1935 that all trade transactions and payments must be effected in USSR territory is not applied as strictly as in the case of European countries. All goods exported to or imported from Mongolia or Tanna-Tuva, are delivered by Soviet organizations to their opposite numbers in Mongolia and Tanna-Tuva on the Soviet-Mongolian and Soviet-Tuvian frontiers. Trade with Sinkiang is transacted both in the territory of Sinkiang and at the frontier base of *Sovsintorg* situated within Soviet territory. Trade transactions with Iran and Turkey take place in the territory of these two countries.

These peculiarities in the organization of trade with the Eastern countries arise from the special character of the Soviet trade with these countries. They supply agricultural and livestock products needed by the USSR and they are the principal market for finished industrial goods which the USSR exports in order to pay for needed imports rather than because of the existence of an exportable surplus; they are also a market for goods which would not be likely to sell elsewhere. On the whole Tsarist Russia and the USSR during the N.E.P. period imported more goods from these countries than they exported to them. In 1930–1933 the general balance of trade with the Eastern countries was in favor of the USSR but, in later years, exports from these countries to the USSR



again exceeded imports. In its exchange relations with the Eastern countries the USSR exported goods to them to pay for needed imports from the area and not to obtain currency to spend in other markets.

Figures quoted on page 68 show that, throughout the pre-war period, trade with the major European countries was by far the most important foreign trade of the USSR. Moreover, except for 1932 and 1933, the European countries bought more from the USSR than they sold to it. Trade with Europe thus provided the surplus of foreign exchange needed to pay for imports from Eastern and, to a greater degree, from overseas countries for, with the exception of 1932 and 1933, the value of imports from the United States, Japan, and Australia was greater than that of USSR exports to those countries over the period. The yearly balance of trade with them was substantially unfavorable to the USSR. Trade with Europe was therefore not only more important quantitatively but also provided the exchange for expanding Soviet import trade from the overseas countries. Although Soviet trade organizations made a considerable effort to establish direct relations with overseas markets, and to purchase industrial raw materials in their countries of origin, large quantities of these goods continued to be bought at the big European auctions<sup>5</sup> (cf. the organization of purchases abroad). Figures given for imports from overseas countries thus reflect only a portion of the actual receipt of goods from those countries: if the goods originating in overseas countries, but actually bought in European markets, were added to those imported directly, the balance of trade of the USSR with overseas countries would appear much more "unfavorable" to the USSR.

The extremely multilateral character of the Soviet foreign trade turnover is shown by the figures in table VII. With few exceptions, the difference between the receipts from exports and the disbursements for imports vis-à-vis the several countries is considerable. Exports to Great Britain, France, Belgium, Luxembourg, Italy, Denmark, and Estonia regularly exceeded imports from these countries and the balance of trade was favorable to the USSR. Up to 1934 the USSR's exports to Holland, Japan, and

<sup>5</sup> Nonferrous metals, jute, sisal, rubber, wool, and tea were largely bought in Great Britain and Holland.

Latvia also exceeded imports from them. On the other hand, imports from the United States, Czechoslovakia, and Australia were invariably greater than the Soviet exports to these countries, and the balance of trade with these countries was persistently unfavorable to the USSR. Other countries maintained no such stable relationship between exports and imports with the USSR, but it is noteworthy that the balance of trade was passive or active for a whole series of years. Thus, in the 1929–1934 period, imports from Poland were every year in excess of Poland's imports from the USSR whereas from 1935–1938, on the contrary, Soviet exports to Poland regularly exceeded imports. Similarly, USSR imports from Finland, Sweden, and Norway during the years 1924/5–1931 regularly exceeded their imports from the USSR; in the later period, however, Soviet exports to these countries regularly outstripped imports from them.

The nature of Soviet export and import trade would lead us to expect these results. Exports consisting of stable basic groups of goods were bound to be sold in the traditional markets. Similarly in the past some goods were imported from traditional sources, particularly foodstuffs and raw materials used industrially. Throughout the period, for instance, rice was imported more or less exclusively from Iran; dried fruit from Iran, Turkey, and Greece; live animals from Mongolia, Iran, China, Turkey and Afghanistan; wool from Australia, Mongolia, Iran, China, Afghanistan and Turkey; cotton from the United States, Egypt, Iran, and Turkey; jute from India, Iran, and, from 1934 on, from Great Britain; paper and paper articles were mainly imported from Finland, Germany, Latvia, and Estonia; industrial equipment, semi-finished goods, and raw materials for the heavy industry (by far the most important items of Soviet import trade) were inevitably bought in the industrial countries of Europe and in the United States.

The import for heavy industry and transport varied in different periods between individual countries; these variations were determined by changes in the structure of Soviet imports and also by changes in the technical, financial, and, especially, in the credit conditions granted to the USSR by the countries involved. For example the high level of exports from the United States in 1924/5–1931 reflected the considerable import of tractors and other agricultural machinery and of cars, lorries, and bicycles, or parts

thereof. In 1932–1934 the USSR stopped importing this kind of goods. In 1935–1938, the increase in imports from America (both in absolute figures and also in relation to the total Soviet import trade) arose from the purchase from the United States of electrical machines, equipment, and appliances, as well as other machinery, boilers, apparatus, and parts hitherto imported from Germany. In 1924–1925, Great Britain occupied first place as the supplier of the import of iron and steel goods but in 1926–1927 this place was taken by Germany; from 1927 to 1934 (when a new trade agreement was signed) trade relations with Great Britain were strained and import of these goods from Great Britain was on a considerably smaller scale than from Germany, the United States, Czechoslovakia, and occasionally even from Sweden. In 1934–1935 Great Britain regained her leading position in the export of iron and steel goods to the USSR.

If, because of the nature of its exports, the USSR was bound to sell its goods in traditional markets, no such traditional ties affected its industrial imports. In the early years of the recovery period, the USSR placed its orders in the markets where Tsarist Russia had traditionally purchased imports. Later, however, the allocation of import orders between individual countries was to a large extent determined not by traditional commercial links with this or that country, but, as a result of changes in the make-up of Soviet import trade, the distribution of industrial imports in different countries came to depend on technical, financial, credit, general economic, and political conditions. The monopoly of its foreign trade enabled the USSR to adapt its purchases to the changing conditions in various countries and, in the allocation of orders to one country or to another, financial or general economic or political considerations normally outweighed purely commercial advantages.

As already stated, the foreign trade of the USSR in the pre-war period was definitely multilateral in character with a very stable distribution of exports between the major countries; import orders for foodstuffs and raw materials were also distributed on a fairly permanent basis, while the allocation of orders for the imports associated with heavy industry and transport was subject to considerable variations. In the years when the first Five-Year Plan was being put into effect Soviet import organizations were influ-

enced, on the whole, by the technical possibilities of placing orders for equipment for industry and transport in the major industrial countries of Europe and in the United States. Later, when the most urgent needs had been met, commercial, financial, and general economic considerations began to play a decisive part in the placing of orders in one country or another. After the transfer of most export and import operations to the administration, in 1935, the allocation of orders for basic imports were increasingly so influenced and such factors as the condition of the Soviet export trade, currency restrictions, and credits granted to Soviet importers, dominated the choice of the countries in which Soviet import orders were placed.<sup>6</sup> The reorganization of the planning and trading methods after 1935 facilitated such action. When orders for any one kind of industrial equipment met with identical technical and commercial conditions in several countries, general foreign trade policy was the basis of the choice.

Presumably, the fundamental considerations which influenced the allocation of Soviet pre-war import orders between various countries will continue to govern the post-war import policy of the USSR.

<sup>6</sup> In this connection the regulation of the Sovnarkom of the USSR of September 1939 is characteristic. It gives the People's Commissariat of Foreign Trade "the right to limit or prohibit the export of goods as well as the delivery of goods already despatched from the USSR to countries in which legislation, administrative regulations, administrative or legal practice or the introduction of exchange restrictions create conditions unfavourable to foreign trade." (*Foreign Trade*, No. 11, 1939).

## CHAPTER VI

### POST-WAR PROSPECTS IN SOVIET

#### FOREIGN TRADE

ANY forecasts of post-war trends of Soviet foreign trade can be but tentative, since Soviet sources yield neither direct nor indirect indications on the developments in Soviet foreign trade since 1939. There are, furthermore, no official data regarding the extent of damage inflicted on the national economy by the war and the German occupation. There have been no specific official statements on the future character of the Soviet foreign trade turnover. In the absence of such material it is clear that no reliable estimate of post-war prospects in Soviet foreign trade can be made, but some facts and circumstances deserve attention.

Indirect evidence suggests that there was a reduction of exports from the USSR in 1939 and 1940. In the pre-war days 37-38 per cent of Soviet exports were shipped from Black Sea ports and passed through the Bosphorus. Soviet exports passing through the Straits, as recorded at Istanbul and published in *Foreign Commerce Weekly* (April 5, 1941), show the following reduction:

	1937	1938	1939	1940
Total export (in metric tons)	1,963,250	3,899,799	1,713,406	311,925

The reduction applied to all the principal items of the Soviet export trade, particularly petroleum products, agricultural by-products (oil-cake, bran, sunflower seed, etc.), sugar, cement, chemicals, flax, hemp, and cotton linters. Even the Black Sea export trade with the United States, which was least affected by the general war conditions, fell from 386,170 tons in 1939 to 173,512 tons in 1940.<sup>1</sup> With the exception of the eastern frontiers, the Black Sea was in

<sup>1</sup> For further details see *Foreign Commerce Weekly*, April 5, 1941.

1939 and 1940 the most accessible route for the Soviet export trade, so that this sharp reduction in exports via the Straits points to a general reduction in total Soviet exports in 1939 and, particularly, in 1940. Evidently as early as 1939 the Soviet Government was taking steps to cut down exports drastically so as to accumulate stocks for the contingency of war.

The German invasion in 1941, and the campaign of the summer of 1942, inflicted great losses both on the industrial capacity of the USSR and on agriculture since 35 per cent of the sown area which normally produced 30 per cent of the grain and 90 per cent of the sugar beet harvest was overrun by the Germans. The occupied regions had previously accounted for 30 per cent of the Soviet's cattle and 50 per cent of the pigs. These losses led to food shortages in the unoccupied sections and, as long as the war lasted, any export of agricultural produce was out of the question. Before the war 60 per cent of all the iron ore, 30 per cent of the manganese ore, and 30-35 per cent of the coal was mined in the occupied areas, which contained between 20 and 25 per cent of the productive capacity of the Soviet Union machine-building industry and produced 35-40 per cent of the total pig iron and steel production.<sup>2</sup>

Although industrial equipment was evacuated, on a large scale, to safe areas the losses sustained precluded the possibility of exporting industrial goods. On the contrary, to maintain and raise the war potential of the country, it was necessary to import not only large quantities of war materials, but foodstuffs and industrial raw materials as well. Available information on Lend-Lease to the USSR shows how very considerable these imports were.

According to a statement issued by Mr. Leo T. Crowley, U. S. Foreign Economic Administrator,<sup>3</sup> 217,280 tons of goods were shipped from the United States to the USSR in the last three months of 1941; in 1942 the amount was 2,764,000 tons; in 1943, 5,369,000 tons and in 1944, 6,964,000 tons. Cumulative to July 1, 1945, Lend-Lease exports to the USSR from the United States

<sup>2</sup> For detailed figures, see A. M. Baykov, "The effect of the war on agricultural and industrial production in U.S.S.R.," *Royal Economic Society*, Memorandum No. 89, April 1942.

<sup>3</sup> U. S. Office of War Information, British Division of News Dept., Government Lend-Lease Statistics, April 17, 1945.

amounted to \$9,128,875,000 consisting of: <sup>4</sup>

	<i>(Thousand dollars)</i>
Ordnance and ammunition	809,580
Aircraft and parts	1,583,827
Tanks and parts	478,394
Motor vehicles and parts	1,322,933
Watercraft	267,610
<hr/>	
Total, all munitions	4,462,344
Petroleum products	103,975
Industrial materials and products	2,946,336
Agricultural products	1,616,220
<hr/>	
Total, all Lend-Lease goods	9,128,875

During the period from June 22, 1941 to April 30, 1944, Great Britain dispatched to the Soviet Union 1,150,000 tons of armaments, strategical raw materials, industrial equipment, and food. Of this quantity, 319,000 tons of armaments were dispatched without payment as military aid; 815,000 tons of raw materials and food, worth £83,700,000 sterling, were dispatched on the basis of the Agreement between the USSR and Great Britain of August 16, 1941 (partly on credit, partly for cash). Of the quantity sent, a total of 1,041,000 tons of supplies arrived in the Soviet Union; 158,000 tons in 1941, 375,000 tons in 1942, 304,000 tons in 1943, and, in the first four months of 1944, 144,000 tons.

From the beginning of the war until July 1, 1943 deliveries to the Soviet Union from Canada were effected as part of the undertakings of Great Britain and in conformity with the Agreement on Credit between the USSR and Canada of September 8, 1942. Since July 1, 1943 Canada has been carrying out deliveries to the Soviet Union independently, on the basis of the Agreement between the USSR and Canada on War Supplies from Canada to the Soviet Union and in conformity with the Canadian statute on "Mutual Aid of the United Nations." From the beginning of deliveries until April 30, 1944, Canada dispatched to the Soviet Union 450,000 tons of armaments, strategical materials, and food to the total value of 187,600,000 Canadian dollars. Of this total, 355,000 tons arrived in the Soviet Union, 125,000 tons in 1942, 124,000 tons in 1943, and, in the four months of 1944, 106,000 tons.<sup>5</sup>

<sup>4</sup> Twentieth report to Congress on Lend-Lease Operations. For the period ended June 30, 1945, p. 21.

<sup>5</sup> *Soviet Monitor*, Radio Bulletins from the USSR, issued by TASS Agency, June 11, 1944.

A comparison of these Lend-Lease figures with those for Soviet imports in their peak years (1930–1931, cf. figures in table I), show at a glance that the amount of goods received by the USSR under the Lend-Lease Agreement far exceeded peace-time Soviet imports. Taking as an example the figure of \$9,128,875,000, the value of supplies dispatched from the United States to the USSR between October 1, 1941 and July 1, 1945, we find that this works out to an average of 12,092 million rubles per annum <sup>6</sup> as against the maximum figure for Soviet pre-war annual imports of 4,839.9 million rubles in 1931. An overwhelming proportion of

<i>From the USA</i>	<i>From Great Britain</i>	<i>From Canada</i>
5,500,000 pairs of army foot-wear		
22,800,000 yards of army cloth		
99,000 tons aluminum and dur-aluminum	35,400 tons aluminum	36,300 tons aluminum
184,000 tons copper and copper articles	33,400 tons copper	23,500 tons copper
42,000 tons zinc	7,400 tons zinc	6,400 tons zinc
6,500 tons nickel	2,400 tons nickel	1,327 tons nickel
	29,400 tons tin	
	47,400 tons lead	9,100 tons lead
	103,500 tons rubber	
1,160,000 tons steel and steel articles, including		
246,000 tons rails with rail clips		13,300 tons rails
20,380 metal-cutting lathes	6,491 metal-cutting lathes	
257,200,000 dollars' worth of miscellaneous industrial equipment, including power-plant equipment of a total capacity of 288,000 kilowatts	£14,400,000 sterling worth of various industrial equipment, including power-plant equipment of a total capacity of 374,000 kilowatts	
4,138 ship engines with a total capacity of 1,768,700 H.P.	15,084 electrical motors	
2,718 presses and hammer cranes	104 presses and hammers	
241 locomotives		
1,154 platform-cars	£1,206,000 worth of diamond points	
	93,000 tons jute, sisal, and articles made therefrom	
2,199,000 tons foodstuffs	138,200 tons foodstuffs	208,600 tons of wheat and flour

<sup>6</sup> This figure is arrived at by taking the average exchange rate of the U. S. dollar fixed on May 15, 1938 by the Department of Foreign Transactions of the USSR State Bank at 1 dollar = 5.30 rubles,



these supplies consisted of war materials, but shipments of raw materials, industrial equipment, transport, and other finished goods, as well as foodstuffs, were substantial; figures for certain of these goods exceed those of maximum peacetime imports. For instance, during the war period—October 1941 to April 30, 1944—the main articles delivered to the Soviet Union consisted from items enumerated on p. 78.

In peace-years the maximum figures for these imports were:

	1930	1931	1936	1937
		<i>(thousand tons)</i>		
Aluminum	10.0	20.4	0.1	2.5
Copper	21.5	27.6	46.2	65.8
Nickel	2.9	3.8	7.5	9.1
Lead	50.2	41.9	29.7	42.4
Zinc	40.2	23.7	0.1	2.9
Tin	4.9	4.5	9.8	12.5
Hammers	41.8	77.3	50.9	30.7
Iron and steel goods	764.0	1703.0	286.0	245.0
Jute and sisal	29.0	23.4	37.7	41.5
Metal-cutting lathes (thousand rubles)	260233.0	476719.0	216056.0	121431.0
Diamond points (thousand rubles)	9233.0	26.0	4666.0	...
Machinery, apparatus, and parts (million rubles)	1264.1	1544.4	402.2	270.1

In the USSR, nonferrous metals are mined in regions which never came under German occupation so that the import of these metals on such a large scale was not due to losses at home but was to facilitate an increased production of articles made from them. Indirectly, this points to an increased output of the metallurgical plants working nonferrous metals.

Can it be expected that the USSR will import, in the normal course of post-war trade, goods and produce in anything like the amounts supplied during the war on a Lend-Lease basis? Altogether some 60-70 per cent of Lend-Lease deliveries were directly connected with war needs; the remaining 30-40 per cent were goods required to maintain industrial production at the level reached before the war or needed to help in the reconstruction of the devastated areas and to supplement the country's resources in food and clothing. Armaments accounted for approximately 40 per cent of all deliveries; another 40 per cent consisted of raw materials, and equipment for industry and transport, in part necessitated by military needs; while some 20 per cent of the supplies comprised food and other agricultural produce, footwear, and

cloth for the army. Subtract war materials from the sum total of Lend-Lease deliveries and the remainder roughly approximates the figures for Soviet imports in the peak years of 1930-1931.

In the coming years will the USSR maintain imports at this high level, expand them, or reduce them? The evidence at hand does not permit any definite answer, but the following facts should be borne in mind. As stated above, the USSR maintained its imports at a far lower level in the 1935-1939 period than in 1930-1932. With the completion of the program for the industrialization of the country, the technical prerequisites for a further development of production were created, alleviating the *urgent* need for imported equipment for industry and transport. In the Soviet economic system export trade is solely a means of paying for *indispensable* imports. Consequently it was possible to reduce exports and to retain for the use of home consumers goods previously exported. But though the *acute* need in imports had been overcome, the potential capacity of the country's national economy, and of its population, to absorb imports was still very great. Undoubtedly, even in the late pre-war years, more imported production, especially consumption goods, could readily have been absorbed by both the national economy and the population of the USSR. It was not possible to satisfy this potential demand, however, because of the limited possibilities of the export trade and the small foreign long-term credits.

Will the *acute* need in imports be greater or smaller in the years immediately following the war than it was before its outbreak? The USSR will require equipment for industry and transport more urgently than it did before the war. Severe damage has been done to the heavy industry of the South, and large investments will be required to restore it to its pre-war capacity. This is particularly true of the iron and steel industries, coal, chemicals, transport, and power plant installations, which were most affected by the war and enemy occupation. Some industrial equipment had been transferred to the new industrial districts of Siberia, but apparently only part of this equipment is scheduled to return westward, the remainder is intended for use in the new industrial districts. Here one point needs stressing. All three Five-Year Plans for the building up of the national economy of the USSR made provisions for the maximum development of industrial production in

the Urals and the new Siberian industrial centers. The natural resources available in these districts destine them to become large centers of industrial production. Formerly their development was handicapped by the traditional concentration of capital investment and skilled labor in the old industrial districts of the Donets Basin, Moscow, and Leningrad. It was difficult, when old and new districts were competing, to induce skilled labor to migrate to the distant new towns away from the old centers of civilization. To achieve this, the Soviet Government resorted to various measures and incentives, and, indirectly, to compulsion. War conditions aided in the solution—a great number of the skilled workers and some industrial equipment were evacuated to these new centers from the South, the Leningrad, and the Moscow districts. According to the official Soviet press, it is the government's intention to settle the evacuated workers and to keep a large proportion of plant in the new districts. It is to be expected, in consequence, that the USSR will need to import considerable quantities of machinery to re-equip industry and of materials to restore production and communications in the districts devastated by military operations.

One other factor will tend to increase imports. During the war years the country's entire productive capacity was mobilized for the war effort. The industrial production of the USSR was concentrated *exclusively* on meeting military requirements. No provisions were made for sinking funds, or normal replacement of obsolete equipment, while current wear was particularly intensive. This is especially true of industries manufacturing consumers' goods. In pre-war years the productive capacity of industries manufacturing consumers' goods had lagged behind the general growth of industrial production and did not then meet the existing demand for industrial articles of general consumption. During the war years, with no new production, such limited stocks as the population had begun accumulating in the latter pre-war years were, to all practical purposes, "consumed." The demand for all kinds of consumption goods is therefore great and it will not be possible, without heavy investment, to expand their manufacture. The potential need for imported general consumption goods can, as a result, be expected to be urgent, and the import of such goods into the USSR could easily reach very substantial quantities.

To sum up: there is a tremendous potential demand for industrial imports needed for the reconstruction of the old industrial districts devastated by war and occupation, for the rehabilitation of communications, and for meeting the acute need in general consumption goods; whether it can be supplied will depend on the possibility of paying for imports.

What are the prospects in this respect? Military operations have inflicted severe damage not only on industry and transport, but also on the agricultural production of the southern and western areas of the USSR. The greatest losses incurred were in livestock; the high bovine death rate during evacuation and the heavy slaughter to provide for the army's meat supply have reduced the number of head by several millions. It will require five to six years to raise their numbers to the pre-war level and, under present conditions, the rehabilitation of agriculture is largely dependent on that of stock-breeding. It is safe to assume, therefore, that in the coming years the USSR will not have anything like the pre-war exportable surplus of agricultural produce. The incorporation of Bessarabia, the Baltic States, and several districts of the Western Ukraine into the Soviet Union, all of which previously had surplus agricultural products, have added to the resources of the USSR, but can hardly compensate for the devastation of its southern and western territories. In short, it is not likely that the USSR will export agricultural products in the near future on a scale comparable to the pre-war level.

Prospects are brighter in regard to industrial raw material exports. The main items come from territories which, with some exceptions, were not in the immediate vicinity of military operations. This is particularly true of three of the chief items of Soviet industrial exports—timber and timber products, oil and oil products, and furs. In 1936–1938 industrial commodities averaged 64-80 per cent of total exports; the three items named above brought in 40-50 per cent of all foreign exchange receipts. The exports of other industrial commodities (manganese and iron ores, coal, iron and steel products, chemicals and cement) can soon, with some effort, be restored to their pre-war level, and that of the three chief export items, if not in the immediate future, can be restored within a few years' time.

From this general outline the implication is clear, however, that

the USSR will not be able to pay, through exports, for large-scale imports. The Soviet Union, nevertheless, has an additional asset to draw upon to pay for imports, namely its gold reserve and current production of gold. From 1935 to 1939 the USSR achieved every year a favorable balance of payments. Unfortunately, no figures have been published on the exact amount, nor is there any information on the foreign exchange reserve held by the USSR. Similarly, there are no official data on the production of gold.

According to the Economic, Financial and Transit Department of the League of Nations, however, the production of gold in the USSR in 1936 could be put at a minimum of 151,000 kgs., or a maximum of 187,000, while the tentative estimates for 1937 were between 136,000 and 168,000 kgs.<sup>7</sup> Taking the 1939 price of gold, i.e. 1125.27 U.S.A. dollars per kg., the production of gold in the USSR works out at:

	<i>Minimum</i>	<i>Maximum</i>
1936	\$169,915,770	\$210,425,490
1937	153,036,720	189,945,360

If we take the minimum figure for 1937 and convert it into rubles at the official rate of exchange (\$1 U.S.A. = 5.30 rub.) we find that the 153 million dollars equals 810 million rubles or, in other words, that the USSR gold output would pay for 60 per cent of all goods imported into the USSR in the course of that year.

The gold deposits of the USSR are found in districts which never came into the zone of military operations, and there are reasons to assume that gold production has been maintained at least at the pre-war level. Considering that from 1935 to 1938 the USSR had a favorable balance of payments, that imports in 1939–1940 were on a reduced scale and the adverse balance consequently small, and that, since 1941, imports have consisted mainly of Lend-Lease supplies, it can be assumed that between 1935 and 1945 the USSR accumulated a substantial gold reserve. Should the Soviet Government decide to use its gold reserve to supplement receipts derived from commodity exports to pay for imports, it would be possible to increase imports in the immediate post-war period to a level far above that of 1934–1938. But, taking into account the pre-war trade policy of the USSR, it seems un-

<sup>7</sup> *Statistical Year Book*, League of Nations, 1940/41, Geneva, 1942, p. 157.

likely that the Soviet Government will expand its imports by the *direct* expenditure of its gold stocks. It is more probable that it will use gold stocks as a permanent reserve to meet expenses arising from long-term foreign credits.

The position taken by the Soviet Delegation at the Bretton Woods Conference seems to confirm the assumption that the Government of the USSR would be willing to expand its imports considerably provided it could secure long-term credits on acceptable conditions. In this case, the gold reserve would serve to meet current expenses connected with long-term foreign credits until such time as the country's exports are sufficient to pay for the badly needed imports. In a few years the Soviet Union will probably have at its command far greater export resources than it had in 1930-1932 when exports reached their current maximum. The industries of the newly developed eastern regions of the USSR are bound to contribute to the general rapid growth of the country's industrial and agricultural production. These regions are rich in natural resources (such as untapped mineral deposits, forests, and fertile land not yet under cultivation), so that a rapid development of industrial and agricultural production can be expected. Sparsely populated, they lacked capital and skilled labor. The transfer of industrial plant and skilled labor to these new industrial centers is a basis for the assumption that their industrial and agricultural production has been developed substantially, which, in conjunction with the restoration of the old industrial districts, will raise the country's general industrial potential. It can therefore be assumed that several years hence the USSR will possess far greater export resources, particularly in industrial goods, than in the late pre-war years and, as a consequence, will be able to pay for more imports.

We have already pointed out that there is in the USSR a large potential demand for imports; that previously it could not be met because of the limited possibilities of export which had been cut to further the policy of industrialization and to create within the country a base for the development of defense industries as a provision against war (which the Soviet Government deemed inevitable). For future expansion, long-term foreign credits would enable the USSR to import goods on a far greater scale than in 1937-1938. Its gold reserve and annual production of the metal

would guarantee current payments connected with long-term credits during the transitional period while the productive capacity of the country is being rebuilt and expanded. Should a high level of imports, including consumption goods, be achieved, this level could be maintained even after the process of reconstruction of the devastated areas has been completed.

The import of industrial equipment destined to raise internal productive capacity must eventually and, in a sense, logically, decrease with time, but the import of general consumption goods, on the contrary, creates conditions for its further growth. The population acquires tastes for certain goods, and a rise in the standard of living fosters future demand. Hitherto the slow improvement in living standards was due to the necessity of limiting demand in order to create a heavy industry and lay the foundations for defense industries; during the war the deterioration in the standard of living was accepted as a war necessity but, with the war over and its dangers a thing of the past, the peoples of the USSR will expect and demand a rapid improvement in standards of living. To meet this national desire, the Soviet Government will strive to import large quantities of equipment for expanding the production of general consumption goods at home; moreover, a large-scale yearly import of general consumption goods will be desired.

So far no *concrete* facts are available on the character of the reparations to be paid by Germany; it remains to be seen how they will affect Soviet imports. Under certain conditions reparations paid by Germany and her former allies may help to increase, rather than reduce, imports from other countries. We have repeatedly stressed that, in Soviet foreign trade, export and import transactions are highly interdependent operations. Throughout the past years the country greatly needed more imports than it could afford. Export possibilities were the limiting factor. If part of the necessary imports are supplied in the form of reparations—not requiring to be paid for by exports—more export resources will be available to pay for additional imports. Figures in table VII show that, in the peak years of Soviet import trade, from 24 per cent in 1930 up to 46 per cent in 1932 came from Germany while exports to Germany were only 19.8 per cent of the total in 1930 and 17.5 per cent in 1932. To pay for its imports from Germany

the USSR had to market much of its export in other countries.

Let us assume, for the sake of argument, that German annual reparations are fixed at something like the amount of Soviet imports from Germany in 1930–1932; let us assume further that Soviet exports and imports reach their pre-war level (cf. table VII) and are allocated to countries other than Germany; this would mean that the trade turnover of these countries with the USSR would increase on the average by over a milliard rubles yearly. At first glance this may seem paradoxical but, taking into consideration the organization and aims of Soviet foreign trade, reparations may, in fact, lead not to a reduction but to an increase in Soviet imports from other countries, provided the conditions for marketing Soviet exports are favorable in these countries and long-term credits are granted to the USSR.

Such are, in brief, the factors which, it would seem, should be borne in mind in discussions of the prospects of the Soviet foreign trade turnover. Should the conditions outlined materialize, the foreign trade of the USSR could be expanded considerably and maintained well above the level reached before the War.



## ANNEX ON

### SOVIET-AMERICAN TRADE RELATIONS

THIS Annex does not give a description of the technique of trade relations between the Soviet Union and the United States since one can get a general notion of the matter from Chapter III of this book and from the very informative article "How to Do Business with Russia" by E. C. Ropes, Chief of the Russian Unit of the U.S. Department of Commerce.<sup>1</sup> There is, furthermore, no discussion of the difficulties which might conceivably arise, in trade between the Soviet Union and the United States, from the fact that foreign trade is a state monopoly in the Soviet Union whereas, in the United States, it is carried on by private parties. I feel that past trade relations have proved that any difficulty on this score has existed mostly in the minds of people who have discussed foreign trade relations with the Soviet Union not on economic but on political grounds, or in those who have written, theoretically, on the general subject of economic relations between state monopolies and private enterprise.<sup>2</sup> Facts have proved that in the Soviet period up to 1933, even without normal diplomatic relations between the United States and the Soviet Union, trade between the two countries proceeded smoothly and, as regards imports from the United States, was at a higher level than with pre-Soviet Russia. This occurred in face of the fact that the total Soviet trade was much below that of pre-revolutionary Russia. Soviet state trade organizations consider it possible and necessary to purchase much greater imports from United States' firms than were purchased by private merchants in the pre-revolutionary period, and American business men have found that business with the Soviet state trading organizations can be carried on without special difficulties and often with greater profit and security than with

<sup>1</sup> *Doing Business with Russia*, International Reference Service, Vol. 2, No. 8, June 1945.

<sup>2</sup> This subject is exhaustively discussed in a pamphlet by Alexander Gerschenkron, "Economic Relations with the USSR," Carnegie Endowment for International Peace, New York, 1945.

private firms in other countries. In spite of the theoretical possibility of "discriminations" by the Soviet state trading corporations they have not indulged in them in their relations with the United States market. On the contrary, they have often run into "inequalities of commercial opportunities" in dealing with American firms owing to the absence of normal credit relations and to the campaigns against imaginary Soviet "dumping," "compulsory labor," and the like. Some writers, accepting this fact of absence of special difficulties in trading with Soviet state organization in the past, think that this was possible only because the foreign trade of the Soviet Union was small, and feel that, if it rises in the future, substantial difficulties will be inevitable. They therefore propose special arrangements for trade with the Soviet Union.<sup>3</sup> Many years' study of the development of the Soviet economic system and of Soviet foreign trade lead me to the conclusions (a) that all the fears of "discrimination" on the part of the Soviet state trading organization are but new "bogies" similar to the past "bogies" of "Soviet dumping" and "compulsory labor," (b) that the Soviet government will not change its methods of trade, and (c) that all attempts to force the Soviet government to do this in one way or another will result in the reduction of trade relations with the country which embarks on such a policy. Of course, in the future as in the past, the Soviet government, in directing trade relations with a particular country, will be guided by general considerations of politico-economic relations with the country in question, especially with regard to imports into the Soviet Union. "Discrimination" between countries, based on general politico-economic considerations, has been practiced by the Soviet Union in the past, and will no doubt be practiced in the future, but there has been no discrimination between trading firms, in a given country, on political grounds. In business relations with private trading firms in any country, Soviet state trading organizations have been guided in the past by the same kind of commercial and technical considerations as apply to any large-scale private trading organization in foreign commerce. There is no evidence that this practice will be changed as a result of a substantial rise in the volume of trade between the Soviet Union and the United States.

One outstanding fact must be stressed with regard to trade re-

<sup>3</sup> Cf. Gerschenkron, *op. cit.*, pp. 23-40.

lations between the Soviet Union and the United States; annual imports from the United States to the U.S.S.R. have always considerably exceeded exports from the Soviet Union to the United States. The Soviet government, which completely controls the distribution of its imports between different countries, has found it necessary, even in view of a persistent negative trade balance with the United States, to keep imports from the United States on a relatively high level. As is shown by Soviet official figures (Table 7 on page 113), and by the following United States official figures on foreign trade, Soviet imports from the United States have far exceeded Soviet exports to the United States and, throughout the period 1924-1933, the United States was second only to Germany as a source of Soviet imports.

TABLE 1. TRADE OF THE UNITED STATES WITH THE U.S.S.R.  
(in millions of dollars)

Year	Imports		Exports		Excess of exports (+). Excess of imports (-)
	Value	Per cent of total U.S. imports	Value	Per cent of total U.S. exports	
1910-14 (ave.)	24.6	.	20.8	...	+ 3.8
1920	12.5	0.2	28.6	0.4	+ 16.1
1921	1.0	..	15.1	0.3	+ 14.1
1922	0.5	..	19.9	0.5	+ 19.4
1923	1.4	..	4.5	0.1	+ 3.1
1924	8.1	0.2	40.9	0.9	+ 32.8
1925	13.2	0.3	68.9	1.4	+ 55.7
1926	14.1	0.3	49.7	1.1	+ 35.6
1927	12.9	0.3	63.6	1.3	+ 50.7
1928	14.0	0.3	72.5	1.4	+ 58.5
1929	22.6	0.5	83.9	1.6	+ 61.3
1930	24.4	0.8	113.4	3.0	+ 89.0
1931	13.2	0.6	103.3	4.3	+ 90.1
1932	9.7	0.7	12.5	0.8	+ 2.8
1933	12.1	0.8	8.9	0.5	- 3.2
1934	12.0	0.7	15.0	0.7	+ 3.0
1935	17.7	0.9	24.4	1.1	+ 6.7
1936	21.4	0.9	33.4	1.4	+ 12.0
1937	27.2	0.9	42.9	1.3	+ 15.7
1938	23.5	1.2	69.7	2.3	+ 46.2
1939	25.0	1.1	56.6	1.8	+ 31.6
1940	20.8	0.8	86.9	2.2	+ 66.1
1941	30.1	0.9	107.5	2.1	+ 77.4
1942	24.7	0.9	1425.4	17.6	+ 1400.7
1943	29.8	0.9	2994.8	23.1	+ 2965.0
1944	49.7	1.3	3459.0	24.3	+ 3409.3

There is discrepancy between Soviet and United States figures with respect to their mutual trade. This is due to different methods of registration of foreign trade in the two countries.

TABLE 2. U.S.S.R. IMPORTS FROM U.S.A., 1924-1936

(Soviet statistics)

		1924/25	1925	1926	1927	1928	1929	1930	1931	1932	1933	1934	1935	1936
Total	thous. tons	570	138	214	259	243	311	311	216	27.5	30.3	64.3	94.6	164
	mil. rbl.	884	535	639	822	776	1158	1158	1007	139	72.6	78.3	12.9	209
1. Machinery, apparatus, and parts	thous. tons	4.5	8.2	6.1	10.5	13.9	59.0	59.0	48.8	10.5	3.2	4.8	7.1	28.6
	mil. rbl.	27.2	57.2	42.0	69.9	95.0	367.0	367.0	337.0	69.9	14.6	32.8	34.9	122.0
2. Non-ferrous metals	thous. tons	1.9	7.9	22.9	35.3	19.5	13.3	13.3	6.0	0.8	0.9	3.7	13.0	11.3
	mil. rbl.	4.9	21.1	47.2	81.6	60.0	33.5	33.5	12.2	1.3	1.1	3.5	11.8	12.9
3. Agricultural machinery and parts	thous. tons	12.7	7.0	8.2	7.1	14.3	35.7	35.7	24.2	0.1	0.0	0.0	0.0	0.0
	mil. rbl.	26.6	15.2	14.7	17.1	32.6	97.9	97.9	84.9	0.2	0.0	0.1	0.0	0.1
4. Iron and steel goods	thous. tons	0.9	5.3	6.0	12.2	10.9	32.6	32.6	7.8	2.1	0.0	2.9	10.1	5.2
	mil. rbl.	3.4	10.5	10.8	22.7	18.9	71.4	71.4	23.5	4.8	0.2	3.9	4.4	5.3
5. Electrical equipment and machinery	thous. tons	0.3	0.5	0.6	1.7	1.6	6.5	6.5	6.7	2.9	1.0	3.0	3.6	6.4
	mil. rbl.	2.2	6.8	6.6	18.2	23.8	53.6	53.6	55.9	21.1	4.5	9.2	9.4	20.5
6. Iron and steel	thous. tons	0.2	0.2	1.5	4.9	6.5	8.6	8.6	3.2	2.5	4.5	8.3	23.8	56.3
	mil. rbl.	0.5	0.5	1.7	5.5	6.2	11.1	11.1	5.9	6.0	8.0	5.8	11.2	22.2
7. Motor vehicles and parts	thous. tons	0.9	0.7	0.7	1.8	6.8	17.3	17.3	26.2	6.0	1.6	1.0	1.2	0.6
	mil. rbl.	6.9	6.2	4.2	13.1	24.7	85.0	85.0	108.0	25.9	8.3	4.8	4.9	3.9
8. Rubber	thous. tons	0.06	0.0	0.4	3.6	2.2	2.3	2.3	0	0	0	0	0	0
	mil. rbl.	0.7	0.0	3.2	23.1	7.7	8.4	8.4	0	0	0	0	0	0
9. Cotton	thous. tons	0.07	0.06	0.1	0.1	0.07	0.02	0.02	0	0	0.02	0.01	0.03	0.00
	mil. rbl.	409.0	313.0	414.0	412.0	313.0	86.4	86.4	0	0	31.0	10.6	42.7	0.4
10. Hides	thous. tons	0.5	2.5	4.1	5.7	0.0	0.0	0.0	0	0	0	0.0	0.0	0.0
	mil. rbl.	5.3	10.5	13.7	26.7	0.2	0.0	0.0	0	0	0	0.1	0.4	0.9
11. Wool	thous. tons	0.01	0	0.3	0.7	0.01	0.4	0.4	0.0	0	0	0	0	0
	mil. rbl.	1.8	0	5.1	9.2	0.7	4.3	4.3	0.0	0	0	0	0	0
12. Tans and dyes	thous. tons	1.5	2.4	5.0	7.6	0.0	0.0	0.0	0	0	0	0	0	0
	mil. rbl.	1.1	2.1	3.4	7.2	0.0	0.0	0.0	0	0	0	0	0	0
13. Cocoa	thous. tons	0.3	0.1	0.5	0.9	0.1	0.0	0.0	0.0	0.0	0	0.0	0	0
	mil. rbl.	1.3	0.4	1.5	3.1	0.3	0.0	0.0	0.0	0.0	0	0.0	0	0

In this period normal diplomatic relations between the Soviet Union and the United States had not yet been established. They were set up in 1933. However, 1933, 1934, and 1935 were the years with the lowest total trade turnover between the two countries. The economic and technical considerations which were the cause of the reduction in the total foreign trade of the Soviet Union in those years were more important in reducing the trade turnover between the Soviet Union and the United States than any purely politico-diplomatic considerations.

TABLE 3. UNITED STATES EXPORTS TO THE U.S.S.R. (UNITED STATES STATISTICS)  
(Value in thousands dollars)

	1938	1939	1940
Export, including reexports, total	69691	56638	86943
1. Machinery and vehicles, total	49442	28502	40201
2. Metals and manufactures, total	12242	17867	25254
3. Non-metallic minerals, total	5844	3020	2194
4. Reexports of foreign merchandise, total	88	4830	4851
5. Textile fibers and manufactures, total	3	9	8310
6. Vegetable-food products, total	...	1719	2999
7. Animals and animal products, inedible, total	2	...	2192
8. Chemicals and related products, total	846	213	25
9. Domestic articles	1165	443	801

Group I comprises: metal-working machinery, lathes, boring, chucking, thread-cutting and milling machines, drilling machines, sheet and plate metal-working machinery, etc.; industrial electric furnaces, ovens, etc.; radio apparatus; internal-combustion engines; well and refinery machinery; textile machinery; automobiles, parts, and accessories; aircraft and parts; freight cars, and other machines and vehicles.

Group II comprises: iron and steel plate, steel sheets, tin plate and taggers' tan, boiler tubes, casing and oil-line pipe, manufactured ferro-alloys, aluminum ingots and alloys, refined copper and ingots, bars, and copper wire, brass and bronze and other products of iron and steel.

Group III comprises: gasoline and petroleum motor fuel, wheels of artificial abrasives, carbon electrodes for furnace or electrolytic work, and other non-metallic minerals.

Group IV comprises: crude rubber, refined copper, tin bars, blocks, pigs, etc.

Group V comprises mostly raw cotton.

Group VI includes wheat almost exclusively.

Group VII comprises: hides for sole leather, bends, backs, and sides.

Group VIII includes sodium compounds for the most part.

Group IX comprises articles for scientific and professional instruments.

Soviet imports from the United States have been of two major groups; (1) constant imports, brought in throughout the period, and (2) temporary imports, of finished goods and raw materials, brought in only during certain periods. To the first group belong

imports of machinery, apparatus and parts, electrical machinery and equipment, iron and steel goods, non-ferrous metals, and motor vehicles and parts. Imports of this group of goods reached a maximum in the period of the First Five-Year Plan, that is, from 1927/28 to 1932. After the fulfillment of the First Five-Year Plan, imports of this group of goods were substantially reduced, and underwent structural changes every year, but nevertheless were kept at a relatively higher level than total imports of the Soviet Union. The other group, temporary imports, is represented by agricultural machinery and parts, rubber, hides, wool, tans and dyes, cocoa, and some miscellaneous raw materials. In the period preceding, and especially during, the collectivization of agriculture, imports of agricultural machinery from the United States occupied a prominent place in the total Soviet imports, but since 1932 they have been reduced to a negligible amount. These purely temporary imports were due to the urgent need of the Soviet Union during the transition from a peasant economy to large-scale collective and state farms. In the meantime there were built in the Soviet Union factories producing tractors, combines, and other agricultural machinery in sufficient quantities to meet the home demand. Thereafter this type of import practically ceased to exist.

Imports of many of the above enumerated raw materials were purchased from the United States in the period before 1932 largely as a result of a routine going back to prerevolutionary times. From 1929 onward the Soviet Purchasing Organizations endeavored to establish direct purchases of raw materials from the countries principally supplying these raw materials on the world markets. Up to 1929, for example, the Soviet Union imported wool from Australia, England, Argentina, Afghanistan, Belgium, Hungary, Germany, Iran, Spain, China, Mongolian Republic, New Zealand, the United States, Tuva, Turkey, Finland, France, and South Africa. Since 1931, however, wool has been imported almost exclusively from Australia, Afghanistan, Iran, China, Mongolian Republic, Tuva, and South Africa; that is, from the principal countries producing wool for world markets. Imports of cotton were drastically reduced after 1930 owing to the rise in the domestic production of cotton. This reduction especially affected imports of cotton from Egypt and the United States, that is, from the two principal sources of supply to the Soviet Union in the past.

TABLE 4. UNITED STATES EXPORTS TO THE U.S.S.R., BY COMMODITY GROUPS, 1938-44 \*

(Value in thousand of dollars)

Commodity Group	1938	1939	1940	1941	1942	1943	1944
Exports of United States merchandise, total	69603	51808	82087	105310	1422853	2989991	3456969
Military exports, total	5179	3045	271	29540	723680	1291102	1064485
Animals and animal products, edible	...	...	...	411	140492	431091	429460
Animals and animal products, inedible	2	1	2192	4157	21964	15420	47262
Vegetable-food products and beverages	1	1719	2999	224	24787	92417	75213
Vegetable products, inedible, except fibers and wood	59	35	117	1459	21566	98045	110265
Textile fibers and manufactures	3	9	8310	1996	15576	103955	149048
Wood and paper	35	4	3	10	1151	2165	4188
Non-metallic minerals	5844	3020	2194	12045	14370	34780	50551
Metals and manufactures, exc. machinery and vehicles	12242	17867	25254	9745	185576	260142	342335
Machinery and vehicles	49442	28502	40196	67360	746145	1492512	1912455
Military exports	5171	3045	271	24309	508702	918863	876709
Chemicals and related products	846	243	25	1697	41885	124864	149259
Military exports	...	...	...	5	19078	65797	41250
Miscellaneous	1129	409	798	6206	209341	334599	186932
Military exports	8	...	...	5225	195900	306502	146526
Reexports, total	88	4830	4851	2214	2589	4838	2013

\* "United States Trade with Russia (U.S.S.R.) During the War Years," U.S. Dept. Commerce, Bur. For. and Dom. Commerce, *International Reference Service*, II (41), December 1945, p. 4.

<sup>1</sup> Less than \$500.

Exports from the United States to the Soviet Union in pre-war years consisted mostly of equipment and raw materials for heavy industry, transportation machinery, cotton, small quantities of wheat (for the Far Eastern regions of the U.S.S.R. too far away from Soviet internal sources of supply), hides, especially sole leather, and some chemicals, especially sodium compounds. Exports of consumer goods consisted of very few domestic articles. Only in 1938 were imports of consumer's goods from the U.S. over \$1,000,000 and, in the next year, these dropped below a half million.

Such was the general development of Soviet imports from the United States in the pre-war period. War, of course, changed the structure of Soviet imports from the United States so far as total exports go (cash plus Lend-Lease), but cash, or non-Lend-Lease, imports remained much the same as in the pre-war years.

Military goods comprised from one-third to nearly one-half of the total exports from the U.S. to the Soviet Union during the war years, but the United States supplemented the war effort of the Soviet Union by sending, on a Lend-Lease basis, great quantities of the machinery and raw materials needed for war production, as well as wearing apparel and foodstuffs, mostly for the supply of the army. Many goods were imported on a Lend-Lease basis which previously had not figured in Soviet imports from the United States. Imports on a cash basis, however, were of the same kind of goods imported for the needs of production in heavy industry in the last pre-war years. These imports were carried out on a level substantially below that of the pre-war years. Imports of consumer goods were principally represented by commodities exported from the United States for relief and charity purposes. These imports occupied a dominating role in the total cash imports of the Soviet Union in 1943 and 1944.

In general, Soviet imports during the war years can give only an indication of the future possibilities of exports from the United States to the Soviet Union. Aside from military exports, exports to supplement the war effort, and those to replace losses in production incurred by the German invasion, the Soviet Union was able to absorb a greater volume and variety of imports than it used to import from the United States in the pre-war period. In the general analysis of the development of Soviet foreign trade in



TABLE 5. PRINCIPAL COMMODITIES OF UNITED STATES CASH, OR NON-LEND-LEASE, EXPORTS TO THE U.S.S.R., ANNUAL 1938, 1941-44 \*

Commodity	Value (in millions of dollars)					Percentage distribution				
	1938	1941	1942	1943	1944	1938	1941	1942	1943	1944
Cash exports of United States merchandise, total	69.6	104.9	64.7	28.9	29.8	100.0	100.0	100.0	100.0	100.0
Military exports <sup>1</sup>	5.2	29.4	13.2	.1	.1	7.4	28.1	20.5	.5	.3
Machinery <sup>2</sup>	43.6	27.5	23.4	5.9	2.5	62.6	26.2	36.2	20.6	8.5
Foodstuffs	3	4.6	51.4	.1	.1	6	.6	2.2	.5	.2
Automobiles, parts, and accessories	.3	13.0	2.7	3	3	.5	12.4	4.2	.1	.1
Iron and steel-mill products	6.7	1.9	.7	.1	3	9.6	1.8	1.0	.3	6
Chemicals and products except explosives	.8	1.6	1.8	.2	3	1.2	1.5	2.8	.5	.1
Aluminum and manufactures	1.1	1.0	6.1	.1	...	1.6	.9	9.4	.2	...
Leather and leather manufactures	3	4.1	2.0	.1	3	6	4.0	3.1	.4	6
Petroleum and products	3.1	11.1	1.0	.1	...	4.5	10.6	2.9	.3	...
Commodities exported for relief or charity	...	.4	6.8	18.6	25.5	...	.3	10.5	64.3	85.6
Scientific and professional instruments, etc.	.6	1.7	.3	.1	3	.9	1.6	.4	.4	.1
Iron and steel advanced manufactures	1.0	1.3	.7	1.1	3	1.5	1.3	1.1	3.9	.1

\* "United States Trade with Russia (U.S.S.R.) During the War Years," U.S. Dept. Commerce, Bur. For and Dom. Commerce, *International Reference Service*, II (41), December 1945, p. 4.

<sup>1</sup> Includes aircraft, military tanks, explosives, firearms, and other strictly military items.

<sup>2</sup> Includes industrial machinery, electrical machinery and apparatus, and agricultural machinery and implements.

<sup>3</sup> Less than \$50,000.

<sup>4</sup> Largely lard and wheat.

<sup>5</sup> Largely meats, lard, wheat, and flour.

<sup>6</sup> Less than one-tenth of 1 per cent.

Chapters IV and VI of this book, the point is made that the Soviet Union was, and will be in the future, in need of a much greater volume and variety of imports than it actually imported. Provided that the necessary conditions are created, the Soviet Union could well import much more from the United States than has been its wont. In the past the main obstacles to increase in the volume and variety of imports from the United States was the adverse balance of payments in trade with the United States and the absence of long-term credits. The Soviet Union had to cover the negative balance partly by exports of gold but mostly by foreign exchange derived from positive balances of trade with other countries (see data in Table 7 on pages 112-123).

Soviet sales to the United States consisted mostly of furs, lumber mill products, animal products for further manufacturing, raw materials for textile and paper industries, and a few industrial unmanufactured goods (manganese ore, anthracite, asbestos, and miscellaneous goods and commodities exported in very small quantities). Apart from these goods the main products of Soviet agricultural and industrial exports (see Table IV and V on pages 106, 107 and 108, 109) were not sent to the United States. The United States does not import many of the agricultural products and industrial raw materials which made up the main exports of the Soviet Union in the pre-war years. But it should be pointed out that, during the war years, some new items were sent: lumber and pulp wood, magnesite, lead, diamonds and emeralds, platinum metals, crude phosphates, and some other non-metallic mineral products. From the point of view of the total receipts from Soviet exports to the United States, these new items provided unimportant sums, but they indicate the possibilities in the future of increasing the variety of sales to the United States from the Soviet Union. On the chance of an increase in the volume of the usual goods and products exported to the United States on the one hand, and of the introduction on American markets of new products not before imported from the Soviet Union on the other, depends the prospect of a rise in the total volume of Soviet sales to the United States and therefore of an increase of imports from the United States to the Soviet Union. The other factor which could substantially increase Soviet sales to the United States and, reciprocally, imports from the United States, is a reduction in tariffs in the U.S. on the main items of Soviet

TABLE 6. EXPORTS FROM U.S.S.R. TO U.S.A. •  
(Soviet Statistics)

	1924/25 1925/26 1926/27 1927/28 1929 1930 1931 1932 1933 1934 1935 1936												
Total	thous. tons	214	302	235	251	793	990	851	633	563	648	913	857
	mil. rbis.	124	134	103	123	187	179	99.4	75.3	61.2	62.5	116	130
1. Furs	thous. tons	0.24	0.22	0.18	0.13	0.21	0.33	0.16	0.50	0.55	0.35	0.63	0.84
	mil. rbis.	67.5	51.8	37.3	39.8	52.1	21.7	4.4	12.0	14.8	10.7	27.4	47.4
2. Lumber mill products	thous. tons	5.0	...	3.2	28.0	71.1	96.3	22.8	54.7	35.0	15.9	46.7	53.5
	mil. rbis.	1.0	...	0.6	4.9	11.5	12.9	2.2	3.8	2.3	0.7	3.1	3.7
3. Manganese ore	thous. tons	0.2	0.3	0.2	0.2	0.4	0.2	0.2	0.03	0.09	0.03	0.14	0.2
	mil. rbis.	31.2	43.7	31.3	26.4	40.8	15.2	15.7	1.6	3.2	4.6	5.5	8.7
4. Bristle	thous. tons	0.06	0.13	0.09	0.23	0.13	0.25	0.19	0.06	...	...	0.01	0.01
	mil. rbis.	3.5	5.9	3.2	7.6	4.2	8.3	3.5	0.9	...	...	0.1	0.2
5. Rags and shreds	thous. tons	0.03	2.2	1.2	2.8	10.8	17.0	3.0	1.8	3.2	4.7	5.0	4.8
	mil. rbis.	0.06	1.0	0.6	1.4	5.9	7.2	1.3	0.7	1.2	1.8	2.1	2.4
6. Medical plants	thous. tons	2.1	13.2	12.1	9.0	8.6	9.0	6.6	5.9	6.9	5.2	8.0	4.2
	mil. rbis.	0.9	5.2	5.8	5.2	4.3	4.6	3.7	2.4	2.5	2.3	2.0	1.2
7. Bladders, casing and sausage skins	thous. tons	0.18	0.19	0.27	0.35	0.59	0.60	0.10	0.32	0.20	0.16	0.23	0.20
	mil. rbis.	15.4	13.8	13.9	19.0	21.6	27.8	2.9	5.0	5.0	4.2	5.1	3.7
8. Coal and anthracite	thous. tons	0	0	0	0	0.23	0.14	0.22	0.24	0.19	0.30	0.39	0.38
	mil. rbis.	0	0	0	0	11.1	7.3	11.2	12.0	5.2	5.5	6.8	6.6
9. Caviar	thous. tons	0.0	0.03	0.03	0.12	0.22	0.16	0.13	0.14	0.09	0.10	0.13	0.11
	mil. rbis.	0.0	0.9	0.5	3.0	6.7	4.5	3.8	3.2	2.2	1.7	1.8	1.96
10. Hides and skins, raw	thous. tons	0.08	0.27	0.14	0.0	0.0	0.18	0.01	0.02	0.04	0.07	1.7	1.5
	mil. rbis.	1.0	2.3	1.2	0.0	0.0	0.5	0.1	0.09	0.08	0.13	3.0	2.7
11. Asbestos	thous. tons	0	0	0	0.0	0	0.98	3.0	...	0.93	3.0	3.1	6.4
	mil. rbis.	0	0	0	0.0	0	1.7	2.7	...	0.4	0.8	0.8	2.0
12. Unmanufactured flax	thous. tons	0.4	0.9	0.5	0.7	0.3	1.2	0.2	0.3	1.2	1.4	1.8	0.8
	mil. rbis.	1.8	2.8	1.7	2.9	1.0	2.7	0.2	0.4	1.3	1.4	2.9	1.2
13. Flax textile	thous. tons	...	...	...	...	...	...	...	...	...	0.99	0.92	0.66
	mil. rbis.	...	...	...	...	...	...	...	...	...	2.7	2.8	2.0

• More detailed data regarding exports can be found in International Reference Service, Vol. 2, No. 41, December 1945.

exports, especially the tariffs on furs, lumber mill products, and anthracite.

In regard to the immediate post-war prospect of exports from the Soviet Union to the United States, the situation from the Russian side is more favorable than for Soviet exports to other countries. Production of the main items of Soviet exports to the United States was less affected by war than the items exported to other countries. With the exception of manganese ore, anthracite, and animal products, the Soviet Union could restore the main items of its export to the United States to pre-war levels in a short time.

One factor which might facilitate a very substantial increase of imports from the United States to the Soviet Union is Soviet reparations from Germany. Imports from Germany occupied first place in the total imports of the Soviet Union and, in the whole pre-war period, they were considerably greater than imports from the United States. These imports, in general, consisted of the same groups of industrial equipment and raw materials for heavy industry, transportation equipment, and other industrial goods which were imported from the United States.<sup>4</sup> The United States could easily provide the main items of industrial imports previously imported from Germany to the Soviet Union. In most pre-war years the Soviet Union had an adverse balance of payments with Germany. If substantial imports were received by the Soviet Union in the way of reparation, that would mean release for exports to other countries of very considerable quantities of goods previously exported by the Soviet Union to Germany as a payment for need imports. This in turn would permit larger imports.

The chief items of Soviet exports to Germany were agricultural and industrial goods exported by the Soviet Union to many other European and overseas countries. For example, wheat was exported in substantial quantities to Germany, but also to Great Britain, Holland, Italy, France, Belgium, Spain, Greece, Turkey, Austria, Norway, and Estonia. The same countries, plus Denmark, Sweden, and Finland, were the main markets for all other principal items of Soviet agricultural export to Germany. Oil and oil products were exported in substantial quantities to the Reich, but exports

<sup>4</sup> See detailed data on trade relations between Germany and the Soviet Union in my article on the "Prospects of Soviet-German Trade during the War Period," published in Memorandum No. 13 of the Birmingham Bureau of Research on Russian Economic Conditions, Russian Department, University of Birmingham, May 1940.

TABLE 7. UNITED STATES IMPORTS FROM THE U.S.S.R. BY COMMODITY GROUPS, ANNUAL 1938-44 \*

(Value in thousands of dollars)

Commodity group	Imports for consumption							General imports		
	1938	1939	1940	1941	1942	1943	1944	1942	1943	1944
Total imports	23502	24494	22274	29127	25967	29865	47153	24656	29849	49698
Animals and animal products, edible	1328	1610	443	710	1390	790	1214	1078	781	1214
Animals and animal products, inedible	13157	13630	14735	23846	18993	19704	34181	18693	19711	36355
Vegetable-food products and beverages	44	72	101	8	1	1	...	1	1	...
Vegetable products, inedible, except fibers and wood	779	1229	1777	3456	1784	627	1467	1503	668	1381
Textile fibers and manufactures	1566	960	732	82	22	306	422	16	323	877
Wood and paper	511	317	98	16	125	996	709	124	996	709
Non-metallic minerals	1460	1469	105	10	512	369	556	494	369	556
Metals and manufactures, except machinery and vehicles	3639	3309	3964	636	2674	5795	8028	2396	5723	8027
Machinery and vehicles	1	4	...	...	25	6	1	25	6	1
Chemical and related products	752	1163	166	259	277	1139	387	270	1139	390
Miscellaneous	267	731	153	103	164	132	188	56	133	188

\* "United States Trade with Russia (U.S.S.R.) During the War Years," U.S. Dept. Commerce, Bur. For. and Dom. Commerce, *International Reference Service*, II (41), December 1945, p. 4.

<sup>1</sup> Less than \$500.

of these items to Great Britain and Italy were higher than to Germany, and they were also sent to Belgium, Spain, Turkey, France, Sweden, Japan, and Denmark. Manganese ore was exported to Germany and also to the United States, Great Britain, France, Belgium, Italy, Norway, Poland, Czechoslovakia, Sweden, and Japan. Consequently, if the exports previously sent to Germany can be released for export in other markets, that will raise Soviet foreign exchange resources very substantially for buying needed imports from other countries. In order to attract Soviet import orders for the German market, even during the Hitler period, the Soviet Union was provided with greater credit facilities by Germany than by the United States or Great Britain. What has been said in Chapter VI of this book, regarding the role of long-term credit in the prospects of trade with the Soviet Union in general, is especially true of Soviet-American trade relations. From the point of view of the Soviet Union, trade with the United States has one substantial drawback—the systematic adverse trade balance and the limited possibility for expanding exports of the main items of Soviet agricultural and industrial exports to the United States. Long-term credits could create possibilities for the Soviet Union to readjust its adverse balance of payment with the United States, in the long run, through the channels of multilateral trade. Without long-term credits, or larger exports to the United States, it is doubtful that the Soviet Union will in normal peace-time conditions substantially increase its imports from the United States. It is more likely to place its import orders with Great Britain and other European industrial countries which represent better markets for the main items of Soviet exports.

Such are the economic facts which have influenced the past and seem to me destined to influence the future trade relations between the Soviet Union and the United States. The interest in the development of foreign turnover between these two countries could, under certain conditions, be complementary, and the policy of the United States regarding the Soviet Union will be decisive. Possibilities of a greater amount of trade between the Soviet Union and the United States are present, but realization will depend not only on the prospect for long-term credits to the Soviet Union but on the willingness of the United States to absorb greater and more varied Soviet exports.

## APPENDIX





TABLE II

## TOTAL AGRICULTURAL AND INDUSTRIAL EXPORTS AND CONSUMPTION AND PRODUCTION GOODS IMPORTS

	EXPORTS				IMPORTS			
	<i>Agricultural</i>		<i>Industrial</i>		<i>Consumption Goods</i>		<i>Production Goods</i>	
	mil. rubles	% of total	mil. rubles	% of total	mil. rubles	% of total	mil. rubles	% of total
1909-1913	4601.8	70.6	1912.1	29.4	1335.1	26.7	3606.9	72.2
1913	4465.3	67.7	2131.1	32.3	1806.8	30.0	4215.7	70.0
1918	21.2	59.7	14.3	40.3	—	—	—	—
1919	0.4	89.0	0.04	11.0	—	—	—	—
1920	3.4	55.7	2.7	44.3	75.8	60.3	49.9	39.7
1921-22	138.5	49.8	139.4	50.2	646.5	54.4	540.9	45.6
1922-23	361.6	62.0	221.8	38.0	155.1	23.8	495.8	76.2
1923-24	1022.8	62.9	603.3	37.1	166.5	16.3	846.6	82.7
1924-25	1366.1	55.8	1081.2	44.2	976.9	30.8	2169.0	68.5
1925-26	1773.0	59.8	1190.6	40.2	539.2	16.2	2735.3	82.6
1926-27	1955.2	57.2	1462.2	42.8	289.5	9.3	2798.4	89.5
1927-28	1576.4	46.0	1847.7	54.0	516.4	12.5	3578.9	86.4
1929	1572.1	38.8	2473.7	61.2	394.2	10.2	3407.6	88.4
1930	1899.0	41.8	2640.3	58.2	455.0	9.8	4083.5	88.1
1931	1499.1	42.1	2054.0	57.9	222.5	4.6	4503.1	93.0
1932	803.4	31.9	1714.8	68.1	250.5	8.1	2752.4	89.3
1933	623.9	28.8	1543.6	71.2	79.7	5.2	1385.8	90.8
1934	521.3	28.4	1311.1	71.6	157.2	15.4	860.8	84.6
1935	429.9	26.7	1179.4	73.3	136.6	12.9	920.6	87.1
1936	275.4	20.3	1083.7	79.7	142.5	10.5	1210.0	89.5
1937	547.6	31.7	1181.0	68.3	121.5	9.1	1219.8	90.9
1938	485.5	36.4	846.4	63.6	172.1	12.1	1250.8	87.9

The classification of imports into consumption and production goods is based upon official sources which did not classify all commodities into these 2 groups every year, with the result that for certain years the total does not add up to 100%.

In this table agricultural and industrial exports are classified according to the official usage of the Soviet statistical publications on foreign trade. Tables IV and V, which cover the main items of agricultural and industrial export, contain figures for particular groups of commodities and the totals given for agricultural and industrial exports differ somewhat from the official figures; e.g. in these tables furs are included throughout among industrial exports, whereas in Soviet official publications they appear under headings which are sometimes included in industrial and sometimes in agricultural exports.

TABLE III

## EXPORTS CLASSIFIED ACCORDING TO BRUSSELS CONVENTION

	<i>Animals</i>		<i>Foodstuffs</i>		<i>Raw Materials and Semi- Manufactured Goods</i>		<i>Manufactured Goods</i>		<i>Total</i>	
	mil. rubles	% of total	mil. rubles	% of total	mil. rubles	% of total	mil. rubles	% of total	mil. rubles	%
1913	150.7	2.3	3805.8	57.7	2287.8	34.4	371.9	5.6	6596.4	100.0
1929	12.1	0.3	857.7	21.2	2536.7	62.7	639.3	15.8	4045.8	100.0
1930	0.1	0.0	1434.4	31.6	2414.9	53.2	690.0	15.2	4539.3	100.0
1931	0.0	0.0	1250.7	35.2	1694.8	47.7	607.6	17.2	3553.1	100.0
1932	0.0	0.0	566.6	22.5	1347.2	53.5	604.4	24.0	2518.2	100.0
1933	0.1	0.0	411.8	19.0	1260.2	58.1	495.4	22.9	2167.5	100.0
1934	0.2	0.0	295.8	16.1	1104.4	60.3	432.0	23.6	1832.4	100.0
1935	0.2	0.0	305.2	19.0	997.1	62.0	306.8	19.0	1609.3	100.0
1936	0.1	0.0	182.0	13.4	907.7	66.8	269.3	19.8	1359.1	100.0
1937	0.1	0.0	396.6	22.9	1012.1	58.6	319.8	18.5	1728.6	100.0
1938	0.1	0.0	406.4	30.5	671.6	50.4	253.8	19.1	1331.9	100.0

## IMPORTS CLASSIFIED ACCORDING TO BRUSSELS CONVENTION

	<i>Animals</i>		<i>Foodstuffs</i>		<i>Raw Materials and Semi- Manufactured Goods</i>		<i>Manufactured Goods</i>		<i>Total</i>	
	mil. rubles	% of total	mil. rubles	% of total	mil. rubles	% of total	mil. rubles	% of total	mil. rubles	%
1913	77.1	1.3	1047.0	17.3	2925.2	48.6	1773.1	32.8	6022.5	100.0
1929	55.4	1.4	322.4	8.4	1681.9	43.6	1797.3	46.6	3857.0	100.0
1930	99.1	2.1	414.3	8.9	1171.7	25.3	2952.4	63.7	4637.5	100.0
1931	114.9	2.4	204.8	4.2	930.3	19.2	3589.9	74.2	4839.9	100.0
1932	81.2	2.6	232.2	7.5	507.3	16.5	2262.8	73.4	3083.5	100.0
1933	59.5	3.9	69.4	4.6	388.6	25.5	1007.6	66.0	1525.1	100.0
1934	47.6	4.7	95.3	9.4	396.2	38.9	478.9	47.0	1018.0	100.0
1935	41.1	3.9	92.3	8.7	464.1	43.9	459.7	43.5	1057.2	100.0
1936	54.9	4.1	88.2	6.5	472.6	34.9	736.8	54.5	1352.5	100.0
1937	46.1	3.4	85.9	6.4	669.0	49.9	540.3	40.3	1341.3	100.0
1938	53.6	3.8	128.3	9.0	563.4	39.6	677.7	47.6	1422.9	100.0

TABLE IV

PRINCIPAL PRIMARY PRODUCTS OF AGRICULTURAL EXPORT:

	1. Grains		2. Butter		3. Raw hides and skins		4. Bristle		5. Beans		6. Eggs		7. Bacon		8. Medical plants		% share of eight preceding groups in total export	
	thous. tons	mil. % of total	thous. tons	mil. % of total	thous. tons	mil. % of total	thous. tons	mil. % of total	thous. tons	mil. % of total	thous. tons	mil. % of total	thous. tons	mil. % of total	thous. tons	mil. % of total		
1909-	10553	2620.3	40.1	168.2	272.8	4.2	43.8	174.9	2.7	2.6	31.5	0.5	370	113.4	1.7	334.6	5.1	54.8
1913	9185	2221.3	33.7	78.0	313.4	4.7	52.4	204.5	3.9	2.6	38.9	0.6	376	121.4	1.8	397.0	6.0	51.2
1922-23	728	162.5	27.8	2.8	11.4	2.0	2.7	12.6	2.2	1.1	14.3	2.4	19.1	6.7	1.1	5.8	1.0	36.9
1923-24	2596	613.7	37.7	22.5	90.4	5.6	1.0	4.4	0.8	0.8	11.6	0.7	63.7	22.0	1.4	39.9	2.4	48.2
1924-25	569	208.1	8.5	24.5	120.8	4.9	1.2	9.6	0.4	1.7	66.9	2.7	28.8	16.6	0.7	112.4	4.5	22.0
1925-26	2017	671.1	22.6	27.3	135.2	4.6	2.2	22.0	0.7	1.5	45.0	1.5	50.2	20.0	0.7	103.5	3.5	34.2
1926-27	2099	842.0	24.6	30.3	150.0	4.4	2.7	24.8	0.7	1.2	29.4	0.9	77.9	45.2	1.3	126.8	3.7	36.5
1927-28	289	114.7	3.8	32.9	171.5	5.1	2.1	19.8	0.6	1.4	28.9	0.8	54.9	28.5	0.8	177.2	5.2	17.6
1929	178	43.9	1.1	25.4	135.8	3.8	7.3	44.9	1.1	1.3	29.1	0.7	82.0	55.1	1.4	104.9	2.6	11.6
1930	4765	882.4	19.4	10.5	46.0	1.0	8.6	33.6	0.7	1.1	26.5	0.6	77.2	21.2	0.4	16.4	0.3	22.8
1931	5057	658.9	18.5	30.9	106.4	3.0	12.5	27.6	0.7	0.6	9.4	0.3	122	28.1	0.8	24.9	0.7	24.4
1932	1728	228.1	9.6	30.9	69.5	2.8	14.6	14.4	0.6	0.7	9.0	0.4	85.7	23.0	0.9	7.3	0.3	15.0
1933	1686	176.9	8.2	37.2	53.5	2.4	8.3	12.2	0.6	0.4	4.3	0.2	79.8	23.8	1.1	1.1	0.0	12.9
1934	771	83.6	4.5	37.9	44.5	2.4	4.2	10.0	0.5	0.7	6.4	0.3	80.6	22.2	1.2	0.8	0.0	9.4
1935	1519	161.9	10.1	29.4	43.0	2.7	4.4	8.3	0.5	0.6	7.5	0.4	78.3	15.4	1.0	0.01	0.0	15.1
1936	322	35.9	2.6	23.2	42.1	3.1	4.3	7.5	0.6	0.4	7.8	0.6	70.6	8.1	0.6	0.06	0.0	8.0
1937	1278	257.6	14.9	14.4	31.2	1.8	4.4	10.9	0.6	0.4	12.3	0.7	26.2	5.9	0.3	0.2	0.0	18.7
1938	2081	291.8	21.9	0.4	0.6	0.0	3.4	5.8	0.4	0.4	5.4	0.4	131.5	23.0	1.7	0.0	0.0	24.7

PRINCIPAL FINISHED AND SEMI-FINISHED GOODS OF AGRICULTURAL ORIGIN

	1. Sugar		2. Oil-cake		3. Tinned fish		4. Tobacco and products		5. Bladders, casings and sausage-skins		6. Caviar		7. Vegetable Oils		8. Glycerine		% share of eight preceding groups in total export		% share of sixteen preceding groups in total export		
	thous. mil. tons	% of thous. mil. tons	thous. mil. tons	% of thous. mil. tons	thous. mil. tons	% of thous. mil. tons	thous. mil. tons	% of thous. mil. tons	thous. mil. tons	% of thous. mil. tons	thous. mil. tons	% of thous. mil. tons	thous. mil. tons	% of thous. mil. tons	thous. mil. tons	% of thous. mil. tons	thous. mil. tons	% of thous. mil. tons	thous. mil. tons	% of thous. mil. tons	
1909-13	266	179.3	2.8	660	155.5	2.4	0.2	0.3	0.0	33.7	0.5	11.5	0.2	13.0	0.2	4.6	6.3	0.0	1.5	2.9	0.0
1913	147	120.7	1.8	736	169.7	2.6	0.3	0.4	0.0	43.5	0.7	11.9	0.2	13.7	0.2	7.7	10.1	0.1	1.5	3.1	0.0
1922-23	0	0	0.0	136	30.1	5.2	0	0	0.0	11.7	2.1	4.9	0.8	4.3	0.7	0.4	0.4	0.0	0.1	0.2	0.0
1923-24	15.4	13.9	0.9	292	65.6	4.4	0	0	0.0	6.7	0.4	3.1	0.2	9.6	0.6	3.7	4.2	0.3	0	0.0	0.0
1924-25	26.2	61.3	2.5	325	115.9	4.7	6.9	16.6	0.7	5.6	0.2	32.2	1.3	14.3	0.6	5.2	9.1	0.4	0	0.0	0.0
1925-26	45.5	83.1	2.8	405	105.3	3.5	14.6	32.9	1.1	5.4	0.2	40.7	1.4	18.4	0.6	24.1	34.3	1.2	0	0.0	0.0
1926-27	122	136.6	4.0	352	99.4	2.9	10.8	35.9	1.0	22.2	0.6	42.3	1.2	12.6	0.4	4.2	6.0	0.2	2.0	5.2	0.2
1927-28	133	149.7	4.4	194	74.1	2.2	8.4	25.1	0.7	24.6	0.7	46.7	1.4	22.6	0.7	16.5	20.1	0.6	2.9	4.7	0.1
1929	127	150.5	3.8	295	108.7	2.7	10.8	33.8	0.8	49.3	1.2	67.0	1.7	32.2	0.8	34.4	43.7	1.1	4.5	5.3	0.1
1930	102	118.3	2.6	279	69.0	1.5	40.4	117.1	2.6	58.6	1.3	70.4	1.5	20.8	0.4	8.8	10.9	0.2	3.3	3.5	0.1
1931	320	143.2	4.2	329	62.0	1.7	26.9	66.3	1.9	22.3	0.6	31.0	0.9	19.0	0.5	27.0	21.2	0.6	1.6	1.6	0.0
1932	76.1	56.1	2.2	432	62.0	2.4	17.4	33.5	1.3	18.4	0.7	24.2	1.0	10.0	0.4	39.9	21.0	0.8	2.7	1.9	0.1
1933	38.4	24.3	1.1	411	55.2	2.5	22.0	24.0	1.1	21.2	1.0	16.2	0.7	8.6	0.4	26.2	14.2	0.6	1.9	1.2	0.1
1934	48.7	20.0	1.1	390	45.5	2.5	11.4	12.6	0.7	20.1	1.1	16.6	0.9	9.0	0.5	35.4	14.7	0.8	0.8	0.7	0.0
1935	76.5	23.9	1.5	323	41.1	2.5	1.8	3.6	0.2	12.4	0.8	11.8	0.7	8.0	0.5	11.3	5.9	0.3	2.6	2.8	0.1
1936	163	33.1	2.4	144	16.7	1.2	6.5	13.2	1.0	9.0	0.7	5.0	0.4	5.4	0.4	1.9	1.2	0.1	4.0	4.6	0.3
1937	134	35.1	2.9	38	5.8	0.3	6.9	13.6	0.8	10.8	0.6	6.0	0.3	8.4	0.5	4.7	2.8	0.2	3.6	7.1	0.4
1938	114	35.8	2.7	—	—	0.0	4.3	15.2	1.1	21.6	1.6	4.3	0.3	—	—	—	—	—	4.1	3.9	0.3

TABLE V

THE MAIN ITEMS OF INDUSTRIAL EXPORT OF THE USSR

	1. Timber and Lumber Mill products			2. Oil and Oil products			3. Furs			4. Cotton Tissues			5. Flax, Tow and Siring Tow			6. Manganese Ore			7. Chemical and Pharmaceutical products		
	thous. tons	mil. rbls.	% of total	thous. tons	mil. rbls.	% of total	thous. tons	mil. rbls.	% of total	thous. tons	mil. rbls.	% of total	thous. tons	mil. rbls.	% of total	thous. tons	mil. rbls.	% of total	thous. tons	mil. rbls.	% of total
1909-1913	7043	635.5	9.7	859	160.6	2.4	2761	31.7	0.5	13.0	142.2	2.2	283	370.1	5.7	828	42.5	0.6	51.2	28.2	0.4
1913	7597	722.4	11.0	947	219.4	3.3	2712	28.4	0.4	17.2	192.3	2.9	305	412.5	6.2	1194	63.8	0.9	50.9	28.5	0.4
1923-24	2051	211.4	13.0	712	194.3	11.9	1609	81.2	5.0	0.3	2.9	0.2	35.5	45.0	2.8	494	26.0	1.6	15.8	13.7	0.8
1924-25	2167	318.8	13.2	1372	291.8	11.9	1808	294.8	12.0	1.1	22.9	0.9	55.6	229.7	9.4	527	78.4	3.2	24.8	22.0	0.9
1925-26	1922	255.1	8.6	1473	332.7	11.2	2054	303.5	10.1	3.2	64.5	2.2	70.9	199.4	6.7	673	93.2	3.1	11.2	29.0	1.0
1926-27	2485	349.4	10.2	2086	390.8	11.4	2783	377.1	11.0	5.3	91.6	2.7	43.7	91.2	2.7	785	105.5	2.9	15.7	7.7	0.2
1927-28	2987	411.3	12.0	2783	468.7	13.7	3422	522.6	15.3	12.5	218.0	6.4	42.5	126.4	3.7	499	60.2	1.8	25.1	28.2	0.8
1929	5544	668.0	16.5	3858	604.2	14.9	3683	467.0	11.5	13.2	192.5	4.7	81.1	215.1	5.9	1037	89.5	2.2	35.5	37.3	0.9
1930	7422	743.5	16.4	4712	687.9	15.1	13155	336.6	7.4	13.4	204.3	4.5	78.4	138.6	3.0	769	57.9	1.9	68.7	53.4	1.2
1931	6083	497.5	14.0	5224	506.6	14.2	2964	246.2	6.9	15.9	203.1	7.5	79.8	78.9	2.2	742	42.8	1.2	99.4	45.6	1.3
1932	5689	352.7	14.0	6106	469.8	18.6	3107	185.3	7.3	18.8	218.4	8.7	82.5	93.4	2.7	416	16.5	0.7	88.0	32.2	1.3
1933	6281	336.1	15.5	4894	331.4	15.3	3500	168.9	7.8	15.3	180.7	6.0	88.0	89.9	4.1	655	19.8	0.9	129	36.4	1.7
1934	6484	393.3	21.4	4315	261.1	14.2	3278	141.4	7.7	20.8	101.8	5.5	96.3	91.2	5.0	737	21.2	1.1	108	33.2	1.8
1935	6775	367.4	22.8	3368	193.0	12.0	2811	132.0	8.2	19.2	70.6	4.4	59.6	88.1	5.5	645	22.0	1.4	44.9	17.8	1.1
1936	6044	359.5	26.4	2666	160.8	11.8	2599	155.1	11.4	17.4	61.4	4.5	57.2	78.0	5.7	606	21.1	1.5	30.3	15.8	1.1
1937	5103	437.8	25.3	1929	150.1	8.7	1778	153.6	8.9	20.0	71.8	4.1	34.5	48.3	2.8	1001	50.9	2.9	27.1	15.3	0.9
1938	3345	283.4	21.2	1388	105.6	7.9	1674	131.9	9.9	15.8	56.7	4.2	22.6	23.5	1.8	446	30.7	2.3	20.9	8.6	0.6

THE MAIN ITEMS OF INDUSTRIAL EXPORT OF THE USSR—(Continued)

	8. Iron and Steel and products	9. Machinery and equipment	10. Cotton	11. Rags and Shreds	12. Coal and Anthracite	13. Asbestos	14. Iron Ore	15. Fertilizers	16. Cement	% share of sixteen preceding groups in total export
	thous. mil. tons rbls. total.	% of thous. rbls. total	% of thous. mil. tons rbls. total	% of thous. mil. tons rbls. total	% of thous. mil. tons rbls. total	% of thous. mil. tons rbls. total	% of thous. mil. tons rbls. total	% of thous. mil. tons rbls. total	% of thous. mil. tons rbls. total	
1909-13	96.5 43.5 0.7	12628 0.2	—	13.6 5.3 0.1	—	11.4 6.8 0.1	677 18.3 0.3	50	8.4 0.1 10.7 1.3 0.0	23.0
1913	59.3 38.3 0.6	13236 0.2	—	15.7 7.7 0.1	—	12.4 7.6 0.1	470 13.3 0.2	44	7.7 0.1 6.9 1.1 0.0	26.4
1923-24	77.7 22.9 1.4	1616 0.1	—	3.4 1.6 0.1	—	5.6 3.5 0.2	7 0.2 0.0	2	0.3 0.0 1.8 0.3 0.0	37.1
1924-25	30.9 16.9 0.7	6912 0.3	—	15.9 11.4 0.4	366 18.2 0.7	5.9 6.4 0.3	189 7.6 0.3	2	0.5 0.0 31.8 3.2 0.1	54.3
1925-26	46.3 21.2 0.7	4349 0.1	—	14.0 9.9 0.3	487 26.6 0.9	7.2 7.5 0.3	150 6.1 0.2	0.6	0.3 0.0 33.6 4.2 0.1	45.5
1926-27	72.6 28.8 0.8	3018 0.1	—	22.8 15.5 0.4	448 30.0 0.9	9.9 11.1 0.3	408 18.5 0.5	6.5	1.1 0.0 48.5 4.0 0.1	44.2
1927-28	51.2 24.3 0.7	3802 0.1	—	27.8 19.5 0.6	535 23.0 0.7	11.2 14.1 0.4	428 19.8 0.6	12	2.3 0.0 60.6 5.3 0.2	57.0
1929	45.3 30.0 0.7	10481 0.3	2.7 11.2 0.3	41.6 27.7 0.7	1364 56.0 1.4	12.6 20.0 0.5	545 24.0 0.6	13	2.1 0.0 78.5 6.5 0.2	60.7
1930	43.9 31.9 0.7	10148 0.2	10.1 30.6 0.7	52.4 27.9 0.6	1884 76.9 1.7	15.7 19.3 0.4	452 16.7 0.4	25	2.2 0.0 71.1 5.4 0.1	53.7
1931	38.0 25.6 0.7	19999 0.6	40.2 78.9 2.2	19.7 9.0 0.3	1702 64.1 1.8	13.2 10.9 0.3	1119 28.8 0.8	9	0.4 0.0 46.7 2.8 0.1	52.3
1932	28.8 25.5 1.0	21287 0.8	17.9 24.1 1.0	18.2 7.7 0.3	1842 58.1 2.3	16.6 10.4 0.4	342 7.1 0.3	49	2.4 0.1 38.4 2.4 0.1	60.6
1933	47.4 24.8 1.1	21004 0.9	0.6 0.8 0.0	18.7 6.8 0.3	1867 50.4 2.3	21.5 11.6 0.5	509 10.3 0.5	337	9.2 0.4 87.5 8.3 0.4	57.7
1934	155 30.0 1.6	23341 1.3	11.0 11.9 0.6	19.7 7.9 0.4	2232 47.9 2.6	33.7 14.2 0.8	342 4.7 0.3	608	22.6 1.2 66.3 3.4 0.2	65.7
1935	384 31.6 1.9	30568 1.9	6.4 4.5 0.3	25.4 11.7 0.7	2257 44.5 2.8	25.1 10.0 0.6	158 2.8 0.2	548	19.2 1.2 133 6.4 0.4	65.4
1936	787 42.6 3.1	25495 1.9	6.8 3.3 0.2	19.1 7.7 0.6	1892 44.3 3.2	26.1 9.1 0.7	26 0.3 0.0	606	23.6 1.7 90.5 5.8 0.4	74.2
1937	229 48.7 2.8	48976 2.8	45.3 55.8 3.2	20.8 10.7 0.6	1394 33.4 1.9	27.3 9.1 0.5	351 9.3 0.5	704	29.0 1.7 75.7 4.9 2.8	70.4
1938	73.6 22.3 1.7	33718 2.5	11.0 11.5 0.8	12.5 6.8 0.5	427 13.9 1.4	14.4 5.0 0.4	7 0.2 0.0	800	36.6 2.7 35.5 2.6 1.9	59.8

TABLE VI

THE MAIN ITEMS OF IMPORTS OF THE USSR

	1. Machinery, boilers, apparatus and parts			2. Iron and steel goods			3. Nonferrous metals and goods			4. Electrical Equipment			5. Wool and Woolen Goods			6. Cotton			7. Rubber in sheets and raw latex			8. Chemical and pharmaceutical products			
	thous. tons	mil. % of rbls. total	% of total	thous. tons	mil. % of rbls. total	% of total	thous. tons	mil. % of rbls. total	% of total	thous. tons	mil. % of rbls. total	% of total	thous. tons	mil. % of rbls. total	% of total	thous. tons	mil. % of rbls. total	% of total	thous. tons	mil. % of rbls. total	% of total	thous. tons	mil. % of rbls. total	% of total	
1909- 13	272	562.3	11.2	194	203.4	4.1	88.7	174.8	3.5	8.1	68.0	1.4	49	6	233.6	4.7	192	483.3	9.7	8.7	145.6	2.9	206	110.2	2.2
1913	322	689.3	11.4	239	261.2	4.3	113	237.1	3.9	13.5	114.0	1.9	56.9	274.1	4.5	197	499.5	8.3	12.8	175.9	2.9	242	131.1	2.2	
1923- 24	21.1	42.7	4.2	27.1	49.4	4.8	21.9	46.5	4.5	2.9	27.7	2.7	14.8	47.4	4.6	100	249.6	24.4	2.8	38.4	3.7	18.3	26.2	2.5	
1924- 25	63.8	238.7	7.5	42.1	98.4	3.1	34.2	91.8	2.9	5.1	53.1	1.7	18.2	220.2	6.9	107	586.2	18.5	4.9	36.8	1.2	31.5	77.0	2.4	
1925- 26	112	410.9	12.4	108	190.6	5.7	55.1	143.3	4.3	8.3	75.5	2.3	22.6	205.0	6.2	103	515.9	15.6	7.3	114.9	3.5	41.8	88.6	2.7	
1926- 27	112	446.8	14.3	154	197.4	6.3	88.2	204.5	6.5	14.2	111.2	3.5	32.0	265.2	8.5	163	576.5	18.4	11.0	103.2	3.3	33.7	73.0	2.3	
1927- 28	127	576.0	13.9	276	323.6	7.8	122	263.6	6.3	27.8	212.5	5.1	37.6	325.0	7.8	145	675.5	16.3	14.7	105.6	2.5	30.3	89.5	2.2	
1929	134	604.3	15.7	381	317.6	8.2	119	266.5	6.9	14.7	151.7	3.9	42.6	356.1	9.2	115	513.6	19.3	12.8	50.2	1.3	83.8	94.9	2.5	
1930	261	1264.1	27.3	764	618.0	13.3	130	241.3	5.2	26.1	215.7	4.6	35.2	214.7	4.6	58	245.2	5.3	16.4	60.0	1.3	100	94.2	2.0	
1931	326	1544.4	31.9	1703	997.8	20.6	122	223.8	4.6	37.8	239.1	4.9	30.7	141.3	2.9	54	177.7	3.7	28.2	60.8	1.2	86.8	63.9	1.3	
1932	293	1206.4	29.1	1040	551.7	17.9	78.0	143.9	4.6	48.1	287.4	9.3	25.9	105.7	3.4	24.3	78.2	2.5	30.7	33.7	1.1	11.3	18.8	0.6	
1933	146	471.1	30.9	633	346.8	22.7	51.0	104.7	6.8	21.3	85.0	5.6	28.5	94.3	6.2	22.6	43.4	2.8	31.2	27.9	1.8	9.2	18.2	1.2	
1934	40.6	172.0	16.9	401	189.6	13.6	49.9	93.5	9.2	11.6	35.6	3.6	24.9	57.9	5.7	24.9	28.3	2.8	48.0	72.2	2.1	12.0	24.6	2.4	
1935	32.6	156.0	14.8	391	166.1	15.7	78.6	116.1	11.0	6.6	19.7	1.8	32.6	68.1	6.4	44.2	71.2	6.7	38.2	62.1	5.9	10.4	22.7	2.1	
1936	101	402.2	29.7	286	132.6	9.8	93.6	155.3	11.5	18.5	59.0	4.3	26.7	67.2	5.0	16.7	23.9	1.8	31.5	60.5	4.5	9.4	24.8	1.8	
1937	71.9	270.1	20.1	245	121.2	9.0	135	274.7	20.4	15.5	51.7	3.8	29.1	86.4	6.4	22.1	34.0	2.5	31.0	77.4	5.8	8.5	16.1	1.2	
1938	73.1	380.5	26.7	146	109.4	7.7	142	257.2	18.1	19.5	60.2	4.2	29.0	74.9	6.3	16.5	25.6	1.8	27.2	50.3	3.5	10.1	22.0	1.5	

THE MAIN ITEMS OF IMPORTS OF THE USSR (Continued)

	9. Precision instruments	10. Motor vehicles, bicycles and parts	11. Animals	12. Hides, skins and leather	13. Tans and dyes	14. Tea	15. Rice	16. Fish	17. Cotton tissues	% share of seven-teen pre-ceeding groups in total import
	mil. % of rbls. total	mil. % of rbls. total	mil. % of rbls. total	mil. % of rbls. total	mil. % of rbls. total	mil. % of rbls. total	mil. % of rbls. total	mil. % of rbls. total	mil. % of rbls. total	
1909-13	31.0 0.6	52 4 1.1	51.7 1.0 63.4	177.5 3.5 170.5	91.0 1.8 71.5	262 2 5.2 122	43 4 0.9 346	129.4 2.6 4.1	65.0 1.3 57.1	
1913	34.7 0.6	90 0 1.5	76.7 1.3 72.7	203.5 3.4 197.7	102.2 1.7 75.8	272.3 4.5 134	57.3 0.9 357	149.7 2.5 3.5	66.7 1.1 56.3	
1923-24	9.3 0.9	11 7 1.1	9.7 0.9 10.8	28.6 2.8 35.5	54.7 5.3 7 1	29 1 2.8 45	19.6 1.9 49.5	19.1 1.9 0.3	1.9 0.2 68.3	
1924-25	35.4 1.1	30 3 1.0	22.5 0.7 21.1	149.0 4.7 64.5	124.9 3.9 11 9	75.8 2.4 91.2	80 1 2.5 80.5	44.4 1.4 3.6	49.5 1.6 62.4	
1925-26	51.3 1.5	63.2 1.9	38.1 1.1 38.3	204.5 6.2 74.7	124.7 3.8 22 1	114 2 3.4 51.7	43.8 1.3 19.5	9.1 0.3 11.1	170.9 5.2 75.9	
1926-27	38.2 1.2	34 1 1.1	37.7 1.2 52.9	202.1 6.5 76.6	103.0 3.9 22.5	122 5 3.9 58.7	48.0 1.5 36.9	13.9 0.4 0.3	4.0 0.1 81.1	
1927-28	73.1 1.8	42.6 1.0	45.6 1.1 47.4	230.6 5.6 80.3	121.4 2.9 28 1	161 9 3.9 61.1	68.2 1.6 40.9	12.3 0.3 0.2	1.8 0.0 78.3	
1929	73.6 1.9	70 7 1.8	55.2 1.4 45.7	206.1 5.3 43.9	60.0 1.5 28.6	126.2 2.3 46.9	50.7 1.3 60.7	18.6 0.5 1.0	14.9 0.4 76.5	
1930	61.7 1.9	119 3 2.6	99.1 2.1 29.7	117.7 2.5 42.2	47.5 1.0 24.2	90.3 1.9 57.3	57.7 1.2 82.9	38.6 0.8 0.3	5.1 0.1 75.8	
1931	65.6 1.4	164 5 3.4	114.5 2.4 31.0	97.7 2.0 2.8	7.1 0.1 20.7	55.3 1.1 49.2	43.8 0.9 71.1	29.7 1.0 0.1	2.1 0.0 81.6	
1932	53.7 1.7	36 8 1.2	80.8 2.6 20.8	46.6 1.5 3.6	5.8 0.2 15.9	33.9 1.1 66.9	62.9 2.0 71.1	29.7 1.0 0.1	1.4 0.0 88.1	
1933	25.1 1.6	13 3 0.9	59.5 3.9 9.6	30.9 2.0 2.8	4.9 0.3 19.3	25.2 1.6 10.5	3.8 0.2 24.5	9.5 0.6 0.0	0.1 0.0 87.5	
1934	16.6 1.6	7.7 0.7	47.5 4.7 15.3	32.6 2.2 1.1	9.2 0.2 25.8	28.3 2.8 28.7	6.5 0.6 26.5	14.8 1.4 0.0	0.4 0.0 80.6	
1935	15.5 1.4	5.9 0.5	41.0 3.9 21.7	35.5 2.3 0.9	10.1 1.0 23.6	30.2 2.8 39.0	10.3 1.0 22.8	14.7 1.4 0.1	0.6 0.0 78.3	
1936	28.6 2.1	5.2 0.4	54.7 4.4 21.7	41.7 3.8 1.4	11.6 0.9 12.3	23.2 1.7 52.6	12.1 0.9 30.3	14.5 1.1 0.2	0.8 0.0 81.6	
1937	19.2 1.4	1.8 0.1	46.0 3.4 17.5	35.5 2.6 0.8	5.0 0.4 15.2	28.4 2.1 35.8	6.9 0.5 14.6	6.1 0.5 0.2	0.7 0.0 78.8	
1938	22.1 1.5	1.9 0.1	53.5 3.8 19.0	34.3 2.4 16.7	— — —	34.7 2.4 40.0	11.6 0.8 13.3	3.6 0.2 1.0	5.8 0.4 78.9	



TABLE VII

THE DEVELOPMENT OF USSR EXPORT AND IMPORT WITH THE PRINCIPAL EUROPEAN, EASTERN, AND OVERSEAS COUNTRIES, 1913-1938 [IN MILLION RUBLES]

	1913	1924-25	1925-26	1926-27	1927-28	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938
Total ex- port	6596.4	2447.3	2963.6	3417.4	3424.1	4045.8	4539.3	3553.1	2518.2	2167.5	1832.4	1609.3	1359.1	1728.6	1331.8
Total im- port	6022.5	3168.5	3312.6	3125.6	4141.3	3857.0	4637.5	4839.9	3083.5	1525.1	1018.0	1057.2	1352.5	1341.3	1422.8
Balance	+573.9	-721.2	-349.0	+291.8	-717.2	+188.8	-98.2	-1286.8	-565.3	+642.4	+814.4	+552.1	+6.6	+387.3	-91.0

## GREAT BRITAIN

Export from the USSR	1172.4	763.3	849.9	882.3	577.5	887.2	1226.0	1165.4	606.6	381.0	303.0	377.8	361.7	566.1	375.1
% of total export	17.8	31.2	28.7	25.8	19.8	21.9	27.0	32.8	24.1	17.6	16.5	23.5	26.6	32.7	28.2
Import to the USSR	757.8	484.9	567.4	442.8	208.1	239.8	351.0	321.4	402.6	134.0	202.6	190.0	204.3	192.0	240.3
% of total import	12.6	15.3	17.1	14.2	5.0	6.2	7.6	6.6	13.1	8.8	19.9	18.0	15.1	14.3	16.9
Balance for the USSR	+414.6	+278.4	+282.5	+439.5	+469.4	+647.4	+875.0	+844.0	+204.0	+247.0	+100.4	+187.8	+157.4	+374.1	+134.8

GERMANY

	1913	1924-25	1925-26	1926-27	1927-28	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938
Export from the USSR	1968.7	382.7	488.9	740.8	815.3	942.2	901.0	566.5	440.2	375.6	431.1	289.3	116.6	107.7	88.3
% of total export	29.8	15.6	16.5	21.7	23.8	23.3	19.8	15.9	17.5	17.3	23.5	18.0	8.6	6.2	6.6
Import to the USSR	2860.7	449.7	771.2	707.9	1088.4	852.6	1098.6	1798.6	1435.3	648.5	125.0	95.1	308.5	200.5	67.2
% of total import	47.5	14.2	23.3	22.6	26.3	22.1	23.7	37.2	46.5	42.5	12.0	9.0	22.8	14.9	4.7
Balance for the USSR	-892.0	- 67.0	-282.3	+32.9	-273.1	+89.6	-197.6	-1232.1	-995.1	-272.9	+305.1	+194.2	-191.9	- 92.8	+ 21.1

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	1913	1924-25	1925-26	1926-27	1927-28	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938
Export from the USSR	62.0	124.2	134.3	102.6	122.8	187.1	179.3	99.4	75.3	61.2	62.5	116.3	130.1	134.4	96.7
% of total export	0.1	5.1	4.5	3.0	3.6	4.6	3.9	2.8	3.0	2.8	3.4	7.2	9.6	7.8	7.3
Import to the USSR	346.4	884.0	535.1	638.9	822.4	776.2	1158.0	1007.0	138.7	72.6	78.3	129.1	209.0	244.3	405.9
% of total import	5.8	27.9	16.2	20.4	19.9	20.1	25.0	20.8	4.5	4.8	7.7	12.2	15.5	18.2	28.5
Balance for the USSR	-284.4	-759.8	-400.8	-536.3	-699.6	-589.1	-978.7	-907.6	- 76.4	- 11.4	- 15.8	- 12.8	- 78.9	-109.9	-309.2

TABLE VII—(Continued)

THE DEVELOPMENT OF USSR EXPORT AND IMPORT WITH THE PRINCIPAL EUROPEAN, EASTERN, AND OVERSEAS COUNTRIES, 1913-1938 [IN MILLION RUBLES]

## FRANCE

	1913	1925-24	1925-26	1926-27	1927-28	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938
Export from the USSR	398.6	96.9	174.1	237.0	177.7	186.3	193.4	124.1	125.7	100.3	95.8	79.0	103.0	87.3	59.7
% of total export	6.0	4.0	5.9	6.9	5.2	4.6	4.3	3.5	5.0	4.6	5.2	4.9	7.6	5.1	4.5
Import to the USSR	249.6	40.3	84.6	97.2	157.0	138.7	130.1	65.7	19.0	22.9	51.0	77.2	42.1	28.3	39.4
% of total import	4.1	1.3	2.6	3.1	3.8	3.6	2.8	1.4	0.6	1.5	5.0	7.3	3.1	2.1	2.8
Balance for the USSR	+149.0	+56.6	+89.5	+139.8	+20.7	+77.6	+63.3	+88.4	+106.7	+77.4	+44.8	+1.8	+60.9	+59.0	+20.3

## BELGIUM AND LUXEMBURG

Export from the USSR	283.2	84.4	81.5	60.4	59.7	83.9	117.8	79.9	84.5	121.0	75.5	89.5	88.2	129.6	116.8
% of total export	4.3	3.4	2.8	1.8	1.7	2.1	2.6	2.2	3.4	5.6	4.1	5.6	6.5	7.5	8.8
Import to the USSR	38.9	14.6	8.6	0.7	5.5	19.7	28.7	15.1	3.6	11.2	31.7	40.0	47.1	67.3	64.2
% of total import	0.6	0.5	0.3	0	0.1	0.5	0.6	0.3	0.1	0.7	3.1	3.8	3.5	5.0	4.5
Balance for the USSR	+244.3	+69.8	+142.7	+59.7	+54.2	+64.2	+89.1	+64.8	+80.9	+109.8	+43.8	+49.5	+41.1	+62.3	+52.6

# NETHERLANDS

	1913	1924-25	1925-26	1926-27	1927-28	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938
Export from the USSR	777.1	89.8	92.6	102.0	74.0	136.9	152.6	128.2	94.2	113.4	97.3	70.6	53.9	111.9	92.8
% of total export	11.8	3.7	3.1	3.0	2.2	3.4	3.4	3.6	3.7	5.2	5.3	4.4	4.0	6.5	7.0
Import to the USSR	93.7	150.6	32.2	22.1	21.5	8.9	20.6	9.4	15.6	26.2	69.0	85.5	72.7	105.3	102.5
% of total import	1.6	4.8	1.0	0.7	0.5	0.2	0.4	0.2	0.5	1.7	6.8	5.5	5.4	7.9	7.2
Balance for the USSR	+683.4	- 60.8	+ 60.4	+ 79.9	+ 52.5	+128.0	+130.0	+ 118.8	+ 78.6	+ 87.2	+ 28.3	- 14.9	- 18.8	+ 6.6	- 9.7

# ITALY

	1913	1924-25	1925-26	1926-27	1927-28	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938
Export from the USSR	323.1	67.6	146.6	164.9	113.1	144.0	232.8	174.1	118.4	97.4	83.2	53.1	42.0	16.6	0
% of total export	4.9	2.8	4.9	4.8	3.3	3.6	5.3	4.9	4.7	4.5	4.5	3.3	3.1	1.0	0
Import to the USSR	73.7	23.0	101.9	14.5	40.4	33.5	47.2	130.3	118.9	74.0	51.7	24.7	5.8	4.2	0.1
% of total import	1.2	0.7	3.1	0.5	1.0	0.9	1.0	2.7	3.9	4.9	5.1	2.3	0.4	0.3	0
Balance for the USSR	+249.4	+ 44.6	+ 44.7	+150.4	+ 73.7	+110.5	+185.6	+ 43.8	- 0.5	+ 23.4	+ 31.5	+ 28.4	+ 36.2	+ 12.4	- 0.1

TABLE VII—(Continued)

THE DEVELOPMENT OF USSR EXPORT AND IMPORT WITH THE PRINCIPAL EUROPEAN, EASTERN, AND OVERSEAS COUNTRIES, 1913-1938 [IN MILLION RUBLES]

## CZECHO-SLOVAKIA

	1913	1924-25	1925-26	1926-27	1927-28	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938
Export from the USSR	—	1.6	2.2	9.7	16.4	36.7	18.1	22.5	6.0	4.8	3.7	5.7	10.2	16.6	13.2
% of total export	—	0.1	0.1	0.3	0.5	0.9	0.4	0.6	0.2	0.2	0.2	0.4	0.8	1.0	1.0
Import to the USSR	—	95.5	82.6	50.1	76.2	80.7	118.9	156.5	45.1	21.3	8.5	25.9	43.2	13.6	19.4
% of total import	—	3.0	2.5	1.6	1.8	2.1	2.6	3.2	1.5	1.4	0.8	2.4	3.2	1.0	1.4
Balance for the USSR	—	- 93.9	-80.4	- 40.4	- 59.8	- 44.0	-100.8	- 134.0	- 39.1	- 16.5	- 4.8	- 20.2	- 33.0	+ 3.0	- 6.2

## POLAND

Export from the USSR	—	16.5	13.7	85.3	65.4	58.2	61.9	32.9	21.0	18.7	15.9	14.7	14.6	13.0	7.8
% of total export	—	0.7	0.5	2.5	1.9	1.4	1.4	0.9	0.8	0.9	0.9	0.9	1.1	0.8	0.6
Import to the USSR	—	45.0	42.8	58.3	32.3	84.7	169.8	136.5	24.7	56.8	23.0	11.5	8.7	4.5	1.5
% of total import	—	1.4	1.3	1.9	0.8	2.2	3.7	2.8	0.8	3.7	2.3	1.1	0.6	0.3	0.1
Balance for the USSR	—	- 28.5	- 29.1	+ 27.0	+ 33.1	+ 26.5	-107.9	- 103.6	- 3.7	- 38.1	- 7.1	+ 3.2	+ 5.9	+ 9.5	+ 6.3

## FINLAND

	1913	1924-25	1925-26	1926-27	1927-28	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938
Export from the USSR	242.1	11.0	19.9	45.9	32.8	30.6	16.3	20.2	23.4	23.8	20.6	15.5	7.6	9.4	1.9
% of total export	3.7	0.4	0.7	1.3	1.0	0.8	0.4	0.6	0.9	1.1	1.1	1.0	0.6	0.5	0.1
Import to the USSR	223.2	81.7	65.2	78.4	72.6	47.4	54.4	22.8	12.7	12.6	12.7	6.0	3.6	3.8	3.4
% of total import	3.7	2.6	2.0	2.5	1.8	1.2	1.2	0.5	0.4	0.8	1.2	0.6	0.3	0.3	0.2
Balance for the USSR	+ 18.9	- 70.7	- 45.3	- 32.5	- 39.8	- 16.8	- 38.1	- 2.6	+ 10.7	+ 11.2	+ 7.9	+ 9.5	+ 4.0	+ 5.6	- 1.5

## ESTONIA

	1913	1924-25	1925-26	1926-27	1927-28	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938
Export from the USSR	—	61.2	74.6	30.4	21.1	15.3	28.2	36.6	32.4	8.6	3.8	2.7	7.4	7.3	7.1
% of total export	—	2.5	2.5	0.9	0.6	0.4	0.6	1.0	1.3	0.4	0.2	0.2	0.5	0.4	0.5
Import to the USSR	—	18.8	29.3	16.2	12.4	7.6	12.6	9.3	0.2	1.6	2.6	3.5	4.1	6.0	7.1
% of total import	—	0.6	0.9	0.5	0.3	0.2	0.3	0.2	0	0.1	0.3	0.3	0.3	0.4	0.5
Balance for the USSR	—	+ 42.4	+ 45.3	+ 14.2	+ 8.7	+ 7.7	+ 15.6	+ 27.3	+ 32.2	+ 7.0	+ 1.2	- 0.8	+ 3.3	+ 1.3	0.0

TABLE VII—(Continued)

THE DEVELOPMENT OF USSR EXPORT AND IMPORT WITH THE PRINCIPAL EUROPEAN, EASTERN, AND OVERSEAS COUNTRIES, 1913-1938 [IN MILLION RUBLES]

## LATVIA

	1913	1924-25	1925-26	1926-27	1927-28	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938
Export from the USSR % of total	—	274.8	278.3	251.5	350.0	341.7	229.1	121.8	42.8	10.5	2.8	3.5	3.4	6.4	8.8
Import to the USSR % of total	—	11.2	9.4	7.4	10.2	8.4	5.0	3.4	1.7	0.5	0.2	0.2	0.3	0.4	0.7
Balance for the USSR	—	12.1	19.2	7.1	25.3	72.7	64.7	63.7	25.3	1.5	3.3	4.5	5.8	6.6	8.4
	—	0.4	0.6	0.2	0.6	1.9	1.4	1.3	0.8	0.1	0.3	0.4	0.4	0.5	0.6
	—	+262.7	+259.1	+244.4	+324.7	+269.0	+164.4	+58.1	+17.5	+9.0	—	—	—	—	+0.2

## LITHUANIA

	1913	1924-25	1925-26	1926-27	1927-28	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938
Export from the USSR % of total	—	0.2	0.1	1.14	5.7	6.8	11.3	18.2	18.2	11.9	5.2	7.4	13.0	15.8	11.6
Import to the USSR % of total	—	0	0	0	0.2	0.2	0.2	0.5	0.7	0.5	0.3	0.5	1.0	0.9	0.9
Balance for the USSR	—	0.3	0.6	1.07	1.3	1.3	4.4	6.0	5.2	2.4	6.0	11.9	13.1	10.6	12.7
	—	0	0	0	0	0	0.1	0.1	0.2	0.2	0.6	1.1	1.0	0.8	0.9
	—	-0.1	-0.5	+0.07	+4.4	+5.5	+6.9	+12.2	+13.0	+9.5	+0.8	-4.5	-0.1	+5.2	-1.1

# SWEDEN

	1913	1924-25	1925-26	1926-27	1927-28	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938
Export from the USSR	50.0	4.2	14.4	27.2	15.2	9.5	22.5	29.3	27.2	25.9	24.7	19.1	21.1	19.4	13.4
% of total export	0.8	0.2	0.5	0.8	0.4	0.2	0.5	0.8	1.1	4.4	1.3	1.2	1.6	1.1	1.0
Import to the USSR	74.1	68.1	91.8	53.3	72.5	75.0	85.6	68.3	94.4	20.1	21.4	14.0	18.0	17.4	27.4
% of total import	1.2	2.1	2.8	1.7	1.8	1.9	1.8	1.4	3.1	1.3	2.1	1.3	1.3	1.3	1.9
Balance for the USSR	- 24.1	- 63.9	- 77.4	- 26.1	- 57.3	- 65.5	- 63.1	- 39.0	- 67.2	+ 5.8	+ 3.3	+ 5.1	+ 3.1	+ 2.0	- 14.0

# NORWAY

Export from the USSR	29.3	7.9	29.6	68.9	10.3	15.5	27.4	17.4	17.3	16.8	13.7	10.9	9.7	17.6	21.6
% of total export	0.4	0.3	1.0	2.0	0.3	0.4	0.6	0.5	0.7	0.8	0.7	0.7	0.7	1.0	1.6
Import to the USSR	42.8	23.1	29.7	13.3	22.0	39.5	72.5	82.8	61.9	37.3	12.8	8.0	2.3	3.2	9.9
% of total import	0.7	0.7	0.9	0.4	0.5	1.0	1.6	1.7	2.0	2.4	1.3	0.8	0.2	0.2	0.7
Balance for the USSR	- 13.5	- 15.2	- 0.1	+ 55.6	- 11.7	- 24.0	- 45.1	- 55.4	- 44.6	- 20.5	+ 0.9	+ 2.9	+ 7.4	+ 14.4	+ 11.7



TABLE VII—(Continued)

THE DEVELOPMENT OF USSR EXPORT AND IMPORT WITH THE PRINCIPAL EUROPEAN, EASTERN, AND OVERSEAS COUNTRIES, 1913-1938 [IN MILLION RUBLES]

## DENMARK

	1913	1924-25	1925-26	1926-27	1927-28	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938
Export from the USSR	159.5	60.0	45.4	43.3	50.1	77.8	62.1	59.8	29.0	41.0	33.2	28.2	19.8	16.9	27.4
% of total export	2.4	2.5	1.5	1.3	1.5	1.9	1.4	1.7	1.2	1.9	1.8	1.8	1.5	1.0	2.1
Import to the USSR	56.4	8.4	7.7	4.2	8.7	15.5	31.8	20.7	12.1	7.6	6.3	0.9	8.7	0.1	5.1
% of total import	0.9	0.3	0.2	0.1	0.2	0.4	0.7	0.4	0.4	0.5	0.6	0	0.6	0	0.4
Balance for the USSR	+103.1	+ 51.6	+ 37.7	+ 39.1	+ 41.4	+ 62.3	+ 30.3	+ 39.1	+ 16.9	+ 33.4	+ 26.9	+ 27.3	+ 11.1	+ 16.8	+ 22.3

## IRAN

	1913	1924-25	1925-26	1926-27	1927-28	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938
Export from the USSR	252.7	125.6	153.9	189.6	317.3	305.0	264.0	142.2	111.1	52.6	51.6	68.6	63.4	91.7	58.0
% of total export	3.8	5.1	5.2	5.5	9.3	7.5	5.8	4.0	4.4	2.4	2.8	4.3	4.7	5.3	4.4
Import to the USSR	191.1	228.5	192.5	179.6	274.2	265.7	194.4	203.5	218.7	36.6	62.7	90.6	91.1	84.8	63.8
% of total import	3.2	7.2	5.8	5.7	6.6	6.9	4.2	4.2	7.1	2.4	6.2	8.6	6.7	6.3	4.5
Balance for the USSR	+ 61.6	-102.9	- 38.6	+ 10.0	+ 43.1	+ 39.3	+ 69.6	- 61.3	-107.6	+ 16.0	- 11.1	- 22.0	- 27.7	+ 6.9	- 5.8

MONGOLIAN REPUBLIC

	1913	1924-25	1925-26	1926-27	1927-28	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938
Export from the USSR	11.8	12.1	16.1	20.3	33.5	44.0	78.0	163.6	181.3	168.9	196.2	51.0	50.4	65.8	69.8
% of total export	0.2	0.5	0.5	0.6	1.0	1.1	1.7	4.6	7.2	7.8	10.7	3.2	3.7	3.8	5.2
Import to the USSR	36.8	15.7	16.4	33.3	53.0	66.9	86.5	126.3	84.4	75.6	90.1	34.7	32.1	33.7	38.5
% of total import	0.6	0.5	0.5	1.1	1.3	1.7	1.9	2.6	2.7	5.0	8.9	3.3	2.4	2.5	2.7
Balance for the USSR	- 25.0	- 3.6	- 0.3	- 13.0	- 19.5	- 22.9	- 8.5	+ 37.3	+ 96.9	+ 93.3	+ 106.1	+ 16.3	+ 18.3	+ 32.1	+ 31.3

CHINA

Export from the USSR	126.1	39.9	75.5	82.1	107.2	102.3	124.9	109.7	104.2	78.9	29.7	28.7	36.7	35.4	44.1
% of total export	1.9	1.6	2.5	2.4	3.1	2.5	2.8	3.1	4.1	3.6	1.6	1.8	2.7	2.0	3.3
Import to the USSR	331.3	73.9	135.8	131.3	198.2	151.2	107.2	75.1	79.7	94.0	41.1	35.4	38.5	40.7	68.5
% of total import	5.5	2.3	4.1	4.2	4.8	3.9	2.3	1.6	2.6	6.2	4.0	3.3	2.8	3.0	4.8
Balance for the USSR	- 205.2	- 34.0	- 60.3	- 49.2	- 91.0	- 48.9	+ 17.7	+ 34.6	+ 24.5	- 15.1	- 11.4	- 6.7	- 1.8	- 5.3	- 24.4

TABLE VII—(Continued)

THE DEVELOPMENT OF USSR EXPORT AND IMPORT WITH THE PRINCIPAL EUROPEAN, EASTERN, AND OVERSEAS COUNTRIES, 1913-1938 [IN MILLION RUBLES]

## TANNU-TUVA REPUBLIC

	1913	1924-25	1925-26	1926-27	1927-28	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938
Export from the USSR	—	1.6	2.8	2.5	6.0	11.1	9.2	11.6	19.2	24.1	30.9	11.8	6.2	6.5	5.9
% of total export	—	0	0.1	0.1	0.2	0.3	0.9	0.3	0.8	1.1	1.7	0.7	0.5	0.4	0.4
Import to the USSR	—	1.0	0.9	2.4	5.7	5.7	4.0	3.9	9.6	7.6	8.8	5.7	5.2	3.1	2.7
% of total import	—	0	0	0.1	0.1	0.1	0.1		0.3	0.5	0.9	0.5	0.4	0.2	0.2
Balance for the USSR	—	+ 0.6	+ 1.9	+ 0.1	+ 0.3	+ 5.4	+ 5.2	+ 7.7	+ 9.6	+ 16.5	+ 22.1	+ 6.1	+ 1.0	+ 3.4	+ 3.2

## AFGHANISTAN

Export from the USSR	26.0	2.1	11.1	15.0	30.1	28.2	34.4	50.5	63.9	30.9	13.6	15.2	16.3	17.0	14.8
% of total export	0.4	0.1	0.4	0.4	0.9	0.7	0.8	1.4	2.5	1.4	0.7	0.9	1.2	1.0	1.1
Import to the USSR	27.6	7.2	14.3	18.9	28.4	49.3	42.2	50.9	51.6	24.6	12.1	17.2	22.0	17.0	13.7
% of total import	0.5	0.2	0.4	0.6	0.7	1.3	0.9		1.7	1.6	1.2	1.6	1.6	1.3	1.0
Balance for the USSR	- 1.6	- 5.1	- 3.2	- 3.9	+ 1.7	- 21.1	- 7.8	- 0.4	+ 12.3	+ 6.3	+ 1.5	- 2.0	- 5.7	0.0	+ 1.1

# TURKEY

	1913	1924-25	1925-26	1926-27	1927-28	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938
Export from the USSR % of total	156.7	43.2	77.4	60.0	66.5	75.7	70.9	54.8	24.1	16.6	23.8	38.9	19.6	33.8	22.7
Import to the USSR % of total	2.4	1.8	2.6	1.8	1.9	1.9	1.6	1.5	1.0	0.8	1.3	2.4	1.4	2.0	1.7
Import to the USSR % of total	80.8	14.8	43.1	47.3	61.5	44.5	49.9	30.5	25.2	20.4	12.6	18.3	18.1	28.6	22.7
Import % of total	1.3	0.5	1.3	1.5	1.5	1.2	1.1		0.8	1.3	1.2	1.7	1.3	2.1	1.6
Balance for the USSR	+ 75.9	+ 28.4	+ 34.3	+ 12.7	+ 5.0	+ 31.2	+ 21.0	+ 24.3	- 1.1	- 3.8	+ 11.2	+ 20.6	+ 1.5	+ 5.2	0.0

# JAPAN

	1913	1924-25	1925-26	1926-27	1927-28	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938
Export from the USSR % of total	6.2	55.3	55.8	79.5	71.6	84.4	70.2	86.8	44.2	40.0	25.3	24.1	27.7	11.7	6.1
Import to the USSR % of total	0	2.3	1.9	2.3	2.1	2.1	1.6	2.4	1.8	1.8	1.4	1.5	2.0	0.7	0.5
Import to the USSR % of total	21.2	11.7	11.3	15.8	23.7	36.2	73.5	55.5	21.0	32.2	30.2	47.6	62.0	54.4	17.6
Import % of total	0.4	0.4	0.3	0.5	0.6	0.9	1.6		0.7	2.1	3.0	4.5	4.6	4.1	1.2
Balance for the USSR	- 15.0	+ 43.6	+ 44.5	+ 63.7	+ 47.9	+ 48.2	- 3.3	+ 31.3	+ 23.2	+ 7.8	- 4.9	- 23.5	- 34.3	- 42.7	- 11.5

TABLE VII—(Concluded)  
THE DEVELOPMENT OF USSR EXPORT AND IMPORT WITH THE PRINCIPAL EUROPEAN, EASTERN, AND  
OVERSEAS COUNTRIES, 1913-1938 [IN MILLION RUBLES]

AUSTRALIA

	1913	1924-25	1925-26	1926-27	1927-28	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938
Export from the USSR % of total export	0.5 0	0 0	0 0	0 0	0 0	0.1 0	1.2 0	0 0	0.3 0	0 0	0 0	0 0	0 0	0 0	0 0
Import to the USSR % of total import	1.6 0	130.8 4.1	73.6 2.2	68.3 2.2	127.2 3.1	76.5 2.0	53.3 1.1	13.4 0.4	25.7 0.8	0.5 0	4.6 0.5	19.6 1.9	25.0 1.8	32.4 4.2	50.9 3.6
Balance for the USSR	- 1.1	-130.8	- 73.6	- 68.3	-127.2	- 76.4	- 52.1	- 13.4	- 25.7	- 0.5	- 4.6	- 19.6	- 25.0	- 32.4	- 50.9

# HUNGARY

Export from the USSR	—	0.2	0	0	0	1.0	0	0.2	0	0.3	0.9	0.6	0.8	0.2	0.1
Import to the USSR	—	2.7	0.1	1.3	6.0	3.1	1.2	3.7	0	0.8	1.5	3.5	0.3	2.5	0

# ROUMANIA

Export from the USSR	95.0	2.3	3.2	3.6	3.1	0.9	3.8	6.0	5.8	0.4	0.6	0.8	0.3	2.9	0.6
Import to the USSR	—	0	0	0	1.6	1.6	1.6	0	0	0	0	0	0	1.8	0.8

# JUGOSLAVIA

Export from the USSR	2.2	0	0	0.1	0	0.6	0.6	0.1	0	0.1	0.3	0.8	0.5	0.7	0.1
Import to the USSR	0	0	0	0	0.6	1.5	0.1	0	0.3	0	0.7	0	0	1.4	0









